Daily Report

Latin America

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FBIS-LAT-93-188 *30 September 1993*

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Cuba

U.S. Pressure To Prevent Cuban-Israeli Ties Cited

FL2909160093 Havana Radio Progreso Network in Spanish 1100 GMT 29 Sep 93

[Text] The U.S. Government is exerting pressure on the Israeli Government to prevent it from reestablishing diplomatic ties with Cuba, the newspaper YEDI'OT AHARONOT has reported in Tel Aviv.

The newspaper reported that Washington made it known that it expects that an ally country will not violate the total blockade imposed on Cuba. U.S. Embassy officials in Tel Aviv demanded explanations from the Israeli Foreign Ministry regarding this subject, the newspaper added.

Havana and Tel Aviv broke their diplomatic ties in 1973 in light of the Israeli policy toward Palestine's occupied territories and toward its Arab neighbors.

U.S. Said Pressuring Israel

PA2909231593 Havana Radio Havana Cuba in Spanish 0000 GMT 29 Sep 93

["Commenting on the News" by Miguel de la Guardia Hernandez]

[Text] During this and other radio and Havana Cuba broadcasts, we have spoken about the blockade the United States has maintained against Cuba for over 30 years. In an earlier commentary, we noted the difference between a blockade and an embargo, because U.S. leaders and their allies both within and outside the United States insist on saying that this measure only affects relations between Washington and Havana. That is the reason they give to justify the use of the term embargo, which, as we have said, is an attempt to downplay its political aggression. We said in an earlier commentary that Cuba feels the measure is nothing but a blockade because it is in no way limited to bilateral actions that do not affect third parties. The Washington government has been pressuring other governments to join the economic, political, and diplomatic aggression against Cuba.

U.S. ambassadors and other diplomats are constantly trying to discourage improved relations between Cuba and certain countries. They directly or indirectly threaten businesses and institutions with punitive measures if they establish or maintain businesses that could benefit the Cuban economy. International dispatches are today carrying a report corroborating the Cuban charge. The Israeli newspaper YEDIOT AHRANOT disclosed that Washington is pressuring Israel not to establish diplomatic relations with Havana, as Washington considers such a measure a serious action. The U.S. Government feels that an ally like Israel must not violate the blockade imposed on Cuba by successive U.S. administrations. The Israeli newspaper reported that the U.S. Embassy in Tel Aviv asked the Foreign Ministry for an explanation regarding alleged commercial ties with Cuba. The U.S. diplomats suspect that an improvement in the Middle East situation following the Israeli- Palestinian agreements could lead to a renewal of diplomatic ties between Cuba and Israel, which were broken in 1973 at the initiative of the Havana government in an act of Cuban solidarity with the Palestinian people.

If a situation likes this one, brought up not by Cuba but by an Israeli source, is not a good sign that this is a blockade and not merely an embargo, the well-known U.S. measure against Cuba, then we do not want to see the truth as it is. The much vaunted Torricelli Law enacted by the Republican administration, barely before being replaced by the Democratic administration, clearly and directly states that its action covers U.S. companies in other countries. Nothing can be clearer than that.

U.S. Mass Media Reports Said Distorted

FL3009024793 Havana Radio Rebelde Network in Spanish 2300 GMT 29 Sep 93

[Commentary by Pedro Prada: "The Silence of the Mass Media"]

[Text] Newsfile [name in English], the news bulletin of the U.S. Information Agency—which is a part of the State Department and which establishes the editorial policy of the United States—today included in its program the calumnies of a Cuban traitor uttered in Miami against the Revolutionary Armed Forces and the Cuban people. I watched the main television stations to see to what extent the news report was being picked up, and I was able to verify that around 90 percent of the reports (?on) Cuba obeyed the order.

I then laughed, once again, at freedom of the press, because, as a journalist, I myself would not have failed to take advantage of the opportunity afforded me on 27 and 28 September to take the pulse of the evils of which Cuba is accused.

It may be that my colleagues from other parts of the world accredited here in Havana did move about and report with similar curiosity. However, as the saying goes: On those ships where the captain commands, the sailors do not. And their press agencies, television stations, and newspapers on those days silenced the massive presence of the Cuban people in the streets, celebrating the anniversary of the Committees for the Defense of the Revolution [CDR].

In Cerro, 150 North Americans visiting the island went out to take the pulse of one of the city's most humble neighborhoods—a neighborhood that has housing, sewage, and lighting problems—and found (?fires where there were soups steaming), a lot of music, banners, and the hospitality of people who danced until dawn.

A pediatrician friend of mine who came off duty from his shift at the municipal children's hospital at 0400

hours saw people still dancing at that hour, while some folks on his block—including members of the military—going from the street activities to work took their rations of rum out into the street.

Meanwhile, we are surrounded by silence—a syndrome that perturbs the human right of millions of consumers of information throughout the world, who are denied a true and undistorted version of what happens in this country.

Perhaps the little story that traitor was ordered to recite, now being repeated by the news agencies, is mistaken in one detail: This people is, indeed, going to crush, with cannon and tanks, whoever may come to attack us! Because the suicidal idea he was ordered to recount is appropriate only from those who regret not having been with Batista on 10 March 1952, and who have not recovered from the trauma of that Army, divorced from its people—which vanquished it by arming its own, new Army.

Havana Notes U.S. Delegation's Visit To Vietnam

FL2909205593 Havana Radio Reloj Network in Spanish 1947 GMT 29 Sep 93

[Text] A group of people close to the U.S. Government was received today by Deputy Foreign Minister [name indistinct], in a new sign of rapprochement between Washington and Hanoi 18 years after the end of the war in Indochina. Headed by (Roy Forbes Fulbright), director of the Foreign Relations Institute of America [Instituto de Relaciones Exteriores de America], the delegation is of a nature such that it appears to mark a tendency toward bilateral exchanges based on the improvement of ties between the two countries this year.

It has been learned that (Fulbright) and those accompanying him will talk with Vietnamese Vice President Nguyen Thi Binh and with (?people) from the Association of Vietnamese Journalists, the Vietnam Women's Federation [Union de Mujeres], and the Ho Chi Minh Communist Youth Union.

The fundamental objective of the presence in Vietnam of these guests of the Vietnam-United States Friendship Association [words indistinct] of the successes of the reforms undertaken in other matters.

British Parliamentarians Demand End to U.S. Embargo

PA2909223293 Havana Radio Havana Cuba in Spanish 0000 GMT 29 Sep 93

[From the "Evening Information Review" newscast]

[Text] Members of Parliament from the British opposition Labor Party have demanded that the United States end the embargo imposed on Cuba for more than 30 years. In addition, they spoke in favor of the normalization of Washington-Havana relations. The parliamentarians, who participated in a Cuban solidarity meeting in London, delivered a letter to the U.S. Embassy, expressing their demand. During the meeting, the lawmakers stressed the significance of the Cuban revolution and the need to actively maintain solidarity with Cuba.

Intervention in Somalia Called 'Disastrous' for U.S.

FL2909205793 Havana Radio Rebelde Network in Spanish 1700 GMT 29 Sep 93

[Station Commentary]

[Text] Under a humanitarian heading, the United States has tried to justify its troops' intervention in Somalia; but the controversial operation to restore hope, as they called it, no longer has credibility before the international community. Starving people rather than hunger are being killed in Somalia. Somalia is the ultimate expression of multilateralism promoted by the United States under the title of the new world order.

Nevertheless, [words indistinct] resist the bloody intervention and the U.S. troops every day seem more bogged down. Through May, a total of seven U.S. troops had been killed and tens had been injured. It is a political cost that is too high in proportion to the goals that Washington proclaims. Maybe that is why President Clinton and the majority in Congress are now leaning toward the withdrawal of U.S. troops from Somalia as soon as possible. But it so happens that at this jundture it cannot be just any withdrawal, but a honorable withdrawal. Clinton will try to achieve just that in an attempt to prevent the Republicans from taking political advantage of the Somali episode. At the moment, Clinton has asked the United Nations for a specific date for the withdrawal of the U.S. troops, even though he has also mentioned that a political agreement should be sought in Somalia.

One way or another, the U.S. intervention in Somalia has been disastrous for the Clinton administration, internally as well as externally. Furthermore, it demonstrates one thing: One cannot seek to govern the world, even with a world police force at his command.

Commentators Discuss Russian Situation

FL2909160893 Havana Radio Rebelde Network in Spanish 1155 GMT 27 Sep 93

["Our Opinion" commentary by Eduardo Dimas and Ismael Cantado]

[Text] [Dimas] Cantado, there is an aspect of the Russian situation, Cantado, that has not yet been discussed at length and that is the economic framework under which the situation is developing. I am talking about the changes that must be necessarily made in a society to move toward a capitalist economic system, taking into account all of its consequences. Besides, one cannot talk of a bourgeois democratic tradition in Russia. This is of course logical because the Russians had gone straight

from the czarist regime to socialism, which also suffered distortions under the Stalin era. Thus, Russia does not have a democratic tradition either.

From the economic standpoint, I believe that the devaluation of the ruble and the truly sharp decline of the Russian gross domestic product are signs of a chaotic situation that has gotten out of control.

[Cantado] I must say, however, that according to reports I have read in recent days, the Russian economy is still functioning, despite the decline in industrial production and the rising inflation rate stemming from price increases. They are now taking steps to resolve the problems existing in the supply of energy, fuels, metal, strategic items, and consumer goods.

I also have information that agricultural production remains at the same level of previous years. Agreements have been reached, however, because the production of grains has steadily increased and international demand is decreasing. A number of important agreements has been signed with CIS member countries, namely with Kazakhstan, which has played a role in the agricultural development issue. Thus, there are major difficulties in light of the rising inflation rate, of rising prices, the decline in industrial production, but the Russian economy continues to function. This is what I could say on this topic based on recent information I received from Russian Embassy officials.

[Dimas] Do you believe that a showdown could occur soon in the Russian situation?

[Cantado] I do not know. We have to wait and see. I would not dare give estimates in days or weeks. As an observer, I believe that the Russians had to do something to address such a critical, chaotic situation. It has already taken them more than a year to decide on their reform measures. Some experts have gone as far as predicting that the economic reforms leading to a market economy will take approximately 20 years. I have been hearing this since last year. I believe we must be prepared for many developments to take place in the near future.

I regard the forum held yesterday in Saint Petersburg—which produced an agreement the press is calling the Saint Petersburg Accord—as a significant step toward seeking a compromise formula, to which President Yeltsin has been opposed. Representatives of nearly 60 regions and autonomous republics attended the forum. Everything seems to indicate, however, that the proposal to hold parliamentarian and presidential elections simultaneously could bring an immediate solution to the standoff. This is, in a nutshell, what I could say on this topic.

We should meet again in the next few days to further discuss the Russian situation. For instance, the subject of accumulation of capital you have mentioned is very interesting. We could focus on what lies in the future for Russia, whether it will have a parliamentary or presidentialist system of government.

[Dimas] You mentioned a subject I considered to be essential to understand the need for promoting those reforms. In this conflict, either the executive or the legislature will ultimately lose. Russia is undergoing a number of political and economic changes, including the concept of property. To effect these changes, a strong link must exist between the legislature and the executive branch. The legislature passes the laws and the executive branch—which consists of the president, vice president, and the Council of Ministers—will be implementing the changes.

There has been a conflict between these two branches from the outset. I have time and again stated—and I believe I am right—that this conflict is not occurring between communists and reformists, as the international press is claiming, but between two reformist sectors seeking the same objectives, although with different approaches.

[Cantado] I agree with you, Dimas. There are two trends, two different approaches to channeling the political and socioeconomic life of that huge country. It is of course appropriate to note here that the Russian territory accounts for two-thirds of the former USSR territory. Russia has 150 million people and it is the largest country in the world.

We of course need more time to elaborate on this subject. It is known that Russia is being governed through presidential decrees and legislative resolutions, I mean until 21 September, and through decrees approved by the Council of Ministers. This is how Russia is being governed. Why is this? Because the country does not have a constitution. Thus, the Russians will have to draw up a constitution as soon as calm is restored.

[Dimas] Besides, the very conflict between the legislature and the executive has made it impossible to undertake a serious effort to draw up a new constitution.

[Cantado] There is no doubt about that. This disagreement, this conflict—it is not just a disagreement, but a conflict—between the legislature and the executive has been going on for more than a year. Then, the parliament was dissolved. Taking into account the steps since last year, one may wonder why it was taken now. I believe the dissolution was adopted at a time the government deemed it most appropriate. The time came for a decision because stability is necessary. I believe one must seek stability above all.

[Dimas] I believe that it is a matter of days, perhaps just a matter of hours, for the Russian Parliament to surrender because it does not stand any chance. It does not control the media. It does not have water, or energy because its emergency power unit also broke down. Thus, the situation within the compound is becoming chaotic. Hence, I wonder, what are they trying to defend. Vice President Aleksandr Rutskoy, who had been dismissed by Yeltsin and now appointed acting president by

the parliament, yesterday stated that he was determined to die there. Well, I wonder if there is really a justification for taking such a step.

I believe, Cantado, that a major development is taking place because one of the two branches had to yield to the other. This is the only way in which the Russian future will be organized.

Visiting Mozambican Official Holds News Conference

FL2909134693 Havana Radio Rebelde Network in Spanish 2300 GMT 28 Sep 93

[Text] Marcelino dos Santos, president of the assembly of the Republic of Mozambique discussed important aspects of the current situation in his country and of Cuban-Mozambican relations during a news conference held at the Mozambican Embassy. At the beginning of the meeting, Dos Santos stressed that his current friendship visit is aimed at continuing to develop the process of cooperation and solidarity with Cuba.

[Begin Dos Santos recording] Cuba and Mozambique are old friends, and the friendship was born, forged, during Mozambique's liberation struggle, and continues today. It continues always within a popular perspective. Particularly now, at a time when we are going through some very difficult times in Mozambique and Cuba too is going through some very difficult times, it is useful, necessary, for us to strengthen our relations. [end recording]

Dos Santos referred to the main aspects of the process of implementing the general peace agreement signed in Rome in October 1992.

[Begin Dos Santos recording] The main aspects of what has to be done is the reintegration, or reinsertion, into the society of those people who, because of the war, left Mozambique for neighboring countries and who, inside Mozambique too, left one place for another. [end recording]

Dos Santos said that another of the principal aspects is the formation of the new Mozambican Army, which will be made up in part by government's troops and also by troops from Renamo [Mozambique National Resistance] who will be quartered in special places. The remainder of the two armies will be demobilized and integrated into the nation's social life; and all the weapons will be turned over to the United Nations.

The president of the assembly added that the process of developing Mozambique economically will also be resumed, and the schools, medical assistance centers, and stores will be rebuilt—for which they need the United Nations' material support. He said that a new calendar for the implementation of the peace agreement has been established, a calendar which has elections scheduled for October 1994.

Dos Santos said that Mozambique will continue to struggle to defend and consolidate peace, despite the difficulties, which are threatening to keep the peace process from unfolding.

Meets With Rafael Rodriguez

FL3009020093 Havana Cuba Vision Network in Spanish 2220 GMT 29 Sep 93

[Text] Matters having to do with current events in Cuba and in the world were discussed during the talk Carlos Rafael Rodriguez, vice president of the Council of Ministers, had with Marcelino dos Santos, president of the Assembly of the Republic of Mozambique, who is in our country at the invitation of the Cuban legislature [parlamento]. Dos Santos explained the current situation in his country and the results of the peace talks. The Cuban vice president talked about the latest economic measures being applied in Cuba.

Correction to Politburo Member Commends CDR Members

FL2809215793

[Text] The following correction pertains to the item headlined "Politburo Member Palmero Commends CDR Members," published in the 29 September Latin America DAILY REPORT, page 8:

Column two, seventh paragraph, first and third sentences, read... Guira de Melena... (providing correct spelling)

Haiti

Cedras Accuses UN of Violating Accord

PA3009021393 Hamburg DPA in Spanish 2347 GMT 29 Sep 93

[Text] Port-au-Prince, 29 Sep (DPA)—Haitian Army chief General Raul Cedras today accused the international community of violating the agreement signed in July to restore constitutional order in his nation.

In a speech broadcast by the state radio station, Haiti's strongman and author of the 30 September 1991 coup said that point No. 4 of the agreement has not been respected. Point No. 4 states that the political and military mission the United Nations is scheduled to send to the island will be exclusively technical in nature.

Cedras, suggesting that the UN contingent could be an occupation force, demanded an explanation from the international community concerning the contingent's functions within the country, and he demanded respect for Haiti's sovereignty.

On 3 July, Cedras and deposed President Jean-Bertrand Aristide signed in Governors Island, New York, an agreement that proposes the return of the overthrown

chief of state by 30 October 1993, as well as the dispatch of a multinational UN force prior to Aristide's arrival.

According to the agreement signed by Cedras and Aristide, the 1,200-troop force, which will be deployed in Haiti as of 11 October, will be tasked with helping to form a new police corps independent of the Army and to encourage the professionalization of the Haitian Armed Forces. The agreement also calls for the resignations of Cedras and Port-au-Prince Police Chief Michel Francois, the person believed to be most responsible for a wave of violence that has unsettled Haiti in recent weeks.

In his speech, the military chief did not confirm his readiness to leave his post. Francois, meanwhile, warned last week that he will not resign under foreign pressure, thereby endangering the transition process that would culminate with Aristide's return.

Stanley Schrager, spokesman for the U.S. Embassy in Port-au-Prince, today said that, in terms of the military chief's position, the Governors Island agreement clearly stipulates that Cedras must resign 15 days before Aristide's return—that is, on 15 October at the latest.

Meanwhile, the government of Prime Minister Robert Malval has declared 30 September, the day on which the second anniversary of the military coup against Aristide is commemorated, a holiday.

Senators Condemn UN Security Council Resolution

FL2909155893 Port-au-Prince LE NOUVELLISTE in French No. 34.635 27 Sep 93 p 7

[Resolution adopted by the Alliance Parliamentary Bloc in Port-au-Prince on 24 September following the UN Security Council Resolution 867; senators in italics elected or reelected on 18 January]

[Text] We the undersigned, senators of the parliamentary bloc called "Alliance,"

In view of Articles 8-1, 21, 53, 54, 55-5, 56, 88, 94, 98-3, 133, 136, 159, 263-1, and 266 of the Constitution;

Considering that since the unfortunate events of September 1991 the country has found itself threatened in its physical integrity because of discriminatory measures adopted in a rush by a certain international community;

Considering that the Haitian authorities have shown their willingness to put an end to the crisis by signing successively the Governors Island Agreement and the New York Pact;

Considering that notwithstanding these major concessions, the Haitian party residing abroad—just like some protagonists living in the country—has deemed it necessary to carry on with an arousal campaign harmful to the quick resolution of the crisis;

Considering that the latest Security Council resolution authorizing the sending to Haiti of a 1300-private multinational force represents an unacceptable violation of the integrity of the national territory and one of the most serious attacks on the Haitian people's inalienable right to choose the form of government that they deem most in keeping with their culture, their history, and their legislation;

Considering that as (?statesmen) [hommes publics] and parliamentarians aware of the high mission entrusted to us by the people, we are duty bound to resist this new escalation by the international community of the path to interference by all legal means;

Consequently and after deliberations, have signed the present resolution:

Article 1.—The Alliance condemns with the utmost energy the UN Security Council resolution authorizing the sending to Haiti of a mission of 1,300 strong.

Article 2.—It summons the offices of the Senate and the Chamber of Deputies to convene as a matter of urgency the government known as [government] of concord that will have to justify itself in view of this latest attempt to strangle the Negro Republic of Haiti.

Article 3.—It requires from restored President Jean-Bertrand Aristide the withdrawal of his request which has been used as an alibi by the [UN] Security Council.

Article 4.—It urges the parliamentarians, the political leaders, the union associations, the youth movements, the [Haitian] Armed Forces, the press, the clergy, the patriotic Haitians, the foreigners living on the national territory, in a word, the vital forces of the country to join it in order to present a united front in view of this undisguised aggression against the sovereignty of the country of Jean-Jacques Dessalines.

Article 5.— It wishes the widest publicity to be given to the present resolution which will be communicated in particular to the UN and OAS secretaries general, the chanceries of all member countries of the UN Security Council, the diplomatic corps accredited to Haiti, and the national and international press.

[Signed] *Dejean Belizaire*, senator of the Republic; Thomas Eddy Dupiton, senator of the Republic; *Louis Ney-Gilles*, senator of the Republic; Julio Larosiliere, senator of the Republic [current quaestor of the Senate]; Ebrane Cadet, senator of the Republic [current first secretary of the Senate office]; *Rommel Manigat*, senator of the Republic; Luc Fleurinor, senator of the Republic; *Gabriel Ancion*, senator of the Republic; Smith Metellus, senator of the Republic; *Yves Rousseau*, senator of the Republic; *Amos Andre*, senator of the Republic; Franck J.D. Leonard, senator of the Republic; Bernard Sansaricq, senator of the Republic; *Margarette Martin*, senator of the Republic; and *Osni Eugene*, senator of the Republic.

Cedras Agrees To Participate in Summit

FL2909161593 Port-au-Prince Radio Metropole in French 1400 GMT 29 Sep 93

[Text] General Cedras has agreed to participate in a possible summit with the various powers of state. In a letter sent to Chamber of Deputies President Antoine Joseph, the initiator of this step, the commander in chief of the Army announced that he had obtained the go ahead of the general staff who has subscribed to the initiative because it refuses to admit that one should save only what can be saved [as heard].

Police Chief Declines To Protect Radio Station, Staff

FL2909195893 Port-au-Prince Signal FM Radio in French 1030 GMT 29 Sep 93

[Text] The Port-au-Prince police chief, Lieutenant Colonel Joseph Michel Francois, has sent a letter responding to the general manager of Radio Tropic FM.

[Quote] Sir, the Military Department of the [Port-au-Prince] Metropolitan Area has received your letter dated 15 September in which you solicited its help for the protection of the premises and staff of Tropic FM. This office reminds you that in (?its) constant concern to ensure the safety of lives and properties it remains available (?to answer) the calls of the population.

However, it believes that your situation requires permanent and close surveillance. In this case, it would suggest that you address one of the private security companies operating in the metropolitan area. However, be assured, Mr. General Manager, that the forces of order will not hesitate to intervene promptly in order to reinforce the safety of the premises of Tropic FM if the circumstances so require. This department asks that you accept its unwavering greetings.

[Signed] Joseph Michel Francois, lieutenant colonel in the Haitian Armed Forces, commander of the Military Department of the Metropolitan Area. [unquote]

Malary Introduces Bill on Creation of New Police Force

FL2909164193 Port-au-Prince Signal FM Radio in French 1030 GMT 29 Sep 93

[Excerpt] During the afternoon of 28 September at about 1700, the minister of justice, attorney Guy Malary, introduced the bill on the creation of a new national police force before the lower chamber. In his introductory words before introducing this bill, Malary said that it contains four general areas:

1. The institutions that constitute the national police;

2. The organization of the national police;

3. Clauses relating to the interaction of the [word indistinct] and others; and

4. Miscellaneous clauses.

The minister asked the parliamentarians to vote this law as a matter of urgency because the juncture is difficult. Let us listen to an excerpt.

[Begin Malary recording] Gentlemen and ladies parliamentarians, let me present very briefly to you this bill on the organization of the national police forces, which has been greatly anticipated. The text includes four titles relating to the general areas, the general organization of the national police, the various clauses, and the transitional clauses. [passage omitted] [end recording]

Coffee Coordinator on U.S. Withdrawal From OIC

PA2909153693 Paris AFP in Spanish 1132 GMT 29 Sep 93

[Report by Antonio Ortega]

[Text] Mexico City, Sep 29 (AFP)—This Wednesday, the Mexican National Coordinator of Coffee Producers Organizations (CNOC) stated the United States' withdrawal from the International Coffee Organization (OIC) shows that its only interest is "to benefit its multinational corporations at the cost of prompting impoverishment and social and political upheaval in coffee-producing countries." In a communique, the CNOC stated that the U.S. attitude "is disquieting, as it expresses a lack of interest in international cooperation and in the existence of greater balance in world commerce." It added that the withdrawal is made despite the fact that "producer countries have had strong losses, which are negatively affecting their production capacity and have submerged millions of small producers into poverty."

The CNOC members observed that "it seems to us that the U.S. Government is acting based on short-term pressures and does not have a definite plan regarding a new world order that will preserve certain stability and cooperation among the countries." The United States has decided to leave the OIC, which assembles coffee producers and consumers, in response to the unilateral incorporation of the International Association of Coffee Producers (AIPC), which proposes a retention of 20 percent of exports to improve the bean's prices in international markets.

The CNOC stated that the U.S. position was already outlined in March 1993, when the "uncompromising" attitude of the United States caused the failure of the OIC meeting to reach an agreement between producers and consumers. They added that according to "information from the OIC, no other consumer country is backing the United States, and this is very significant."

The coordinator, which groups approximately 60,000 independent coffee producers in Mexico, explained that the United States continues to be the main coffee consumer in the world, but its participation in the world market has been decreasing as it absorbed 50 percent of the coffee production in the 1960's and only 25 percent in the 1980's. As U.S. participation in the international coffee trade fell, countries such as Japan and the European countries increased their participation in the sector.

The Mexican coffee producers asserted that it is upsetting to note that despite the United States' decrease in the bean's market, coffee quotations continue to be set at the U.S. stock market, where the "U.S. multinational corporations and investment funds manipulate prices so they remain very low." The CNOC stated that "although international stocks are lower than in past decades, international prices remained at $60 for 100 lb up to June.

As the coffee quotations fell in the "free" markets, prices did not decrease for consumers in the United States. This has benefited the "coffee-roasting industry, which is the one that opposes the return to an international agreement in the OIC," the CNOC concluded.

Solana Meets Christopher, Sees 'Positive' U.S. Relations

PA3009015093 Mexico City NOTIMEX in Spanish 0035 GMT 30 Sep 93

[Text] New York, 29 Sep (NOTIMEX)—Fernando Solana Morales, the Mexican secretary of foreign relations, today said Mexican relations with the Democratic government of U.S. President William Clinton are "positive."

Following a meeting with Secretary of State Warren Christopher, Solana Morales told NOTIMEX: "We have a few differences and many points of agreement on which we can continue to build."

He stressed: "These are not easy relations. They never have been, and I doubt if they will be in the future, considering the two nations' differences in size, culture, and style. Nevertheless, the relations are positive, and we are working out our disputes with respect."

For the past eight months since Clinton took office, relations between the United States and Mexico have faced several problems in the areas of immigration, trade, and border issues.

"President Clinton has privately and publicly expressed his respect and interest in bringing the two countries closer in all sorts of areas. There can be no better sign than this," Solana pointed out.

Several hours earlier, Christopher had said relations between the two nations were about to move into "a new era." He noted that the North American Free Trade Agreement (NAFTA) with Canada would play a key role in this new era.

On 29 September, Solana began a three-day visit to New York to participate in the 48th UN General Assembly. Following his speech at the 48th regular session, Solana held bilateral and multilateral meetings with the foreign ministers of several nations and, in the evening, he opened a Mexican toy exhibit at UNICEF headquarters.

Peacekeeping Criticized, UN Reform Urged

PA3009013393 Mexico City NOTIMEX in Spanish 2301 GMT 29 Sep 93

[Text] New York, 29 Sep (NOTIMEX)—Today, Mexico called for a broad reform of the United Nations and rejected the manifestation of a new world order "detrimental to national sovereignty."

Fernando Solana, Mexican foreign relations secretary, indicated that the United Nations is a group of sovereign nations and, therefore, "it does not nor can it have objectives other than those expressed by its members... and it must redefine its goals, tasks, and focus."

Solana indicated that the Security Council's structural reform is a central issue in the reform process. Meanwhile, he spoke in favor of "at least" doubling the number of council member-nations and revising the veto power of its permanent members. The Security Council comprises five permanent members (Russia, China, the United States, France, and the United Kingdom)—all of whom have veto power—and 10 rotating nations that serve two-year terms renewed each year in two groups of five.

Solana added that the reform should be approached in terms of the need to guarantee the organization's transparency and legitimacy in its actions. He also indicted that "the members of the council should be those who make the greatest contributions to maintaining peace, and not necessarily the world's largest weapons manufacturers and exporters."

Solana also proposed an international dialogue to confront drug-trafficking problems as well as one to address the relation between immigration and development.

"The United Nations of the next century should not be a mechanism to achieve balances between the interests of the most powerful," Foreign Relations Secretary Fernando Solana said before the UN General Assembly.

With regard to its peacekeeping operations, Solana said that Mexico acknowledges the organization's function as "an excellent instrument to control the effects of conflicts." But Mexico also criticized "the ambiguity" of some current peacekeeping operations, such as the one in Somalia where UN forces should only assure that humanitarian aid reaches its destination. Currently these forces are engaged in repressive actions.

Solana stressed: "Lately, the frequent calls in the Security Council tend to hide the fact that the United Nation and its member-nations' primary obligation is to resolve differences via peaceful means." He also remarked that before the Security Council decides on establishing a peacekeeping operation, it should count on the full support of all the parties involved in the conflict. Only in this way can the nations' sovereign rights be guaranteed.

Foreign Secretary Solana voiced before the 184 UN member delegations Mexico's satisfaction over the recent Israeli-PLO peace agreement. Meanwhile, he underlined the fact that there is no greater force for resolving conflicts than political will.

Solana also noted that problems such as racism, xenophobia, extreme nationalism, drug trafficking, immigration, and increasing poverty are clear signs that the most pressing matters still have not been resolved.

"We should reflect on the inefficiency of strategies implemented up until now to combat drug trafficking. Therefore, a new kind of thinking is needed," Solana indicated. He added that drug trafficking "has become the main promoter of violence and corruption," and, therefore, political decision, imagination, creative strategy, as well as international cooperation, must be reinforced.

When referring to immigration, he said that this century's large migrations are the result of the polarization of wealth and well-being. Therefore, new international cooperation guidelines are required to combat economic underdevelopment.

"In the transition toward a new order of power, internal tensions, protectionism, global recession, and the disintegration of states all combine for immigration to be perceived as a threat to national security," Solana indicated. He proposed to initiate at the UN Assembly, as soon as possible, a serious analysis of the immigration problem and its unbreakable ties to development.

In conclusion, the foreign secretary talked about Mexico's relations with Europe, Latin America, Asia, and the Pacific Basin as a sign of Mexico's central strategy to diversify and extend trade.

"Our priority is to put an end to extreme poverty in the world and to create opportunities for all mankind," Solana noted.

Costa Rica

Political Parties Pledge To Approve Labor Law Reforms

PA2909231493 San Jose Radio Reloj in Spanish 0100 GMT 29 Sep 93

[From the "Radio Reloj Newscast"]

[Text] The opposition parties pledged to approve modifications to the labor law expected to be presented by the corresponding commission and thus avoid serious consequences for the country.

A letter signed by Social Christian Unity Party bloc leader Ovidio Pacheco and Liberation Party bloc leader Federico Vargas Peralta allowed the government to send a letter of intent to the U.S. Commerce Department today. Costa Rica's expulsion from the preferential system, as has been requested by some U.S. unions that charge there in so freedom for unions in Costa Rica, could be avoided with the commitment made by the majority political parties in the Legislative Assembly.

Gonzalo J. Facio, Costa Rica's ambassador to Washington, has increased his efforts to keep the unions' charges from entering the legal phase. This afternoon, Botafaccio gave the U.S. State Department the letter of intent and corresponding documents that ensure that the remaining laws will be approved by the Legislative Assembly this week. Those documents are to be sent to the U.S. Commerce Department. Although the laws must still be approved by the legislative plenary, they were sent to that body only 48 hours prior to the legal deadline for the U.S. unions' charges to continue to a more serious phase.

* Budget for 1994 To Total 200 Billion Colones

93CA0200A San Jose LA REPUBLICA in Spanish 22 Aug 93 p 14A

[Article by Wilmer Murillo]

[Text] The 1994 national budget will total 200 billion colones, the deputy finance minister, Jose Rafael Brenes, reported.

He indicated that the government's expenditures budget for next year calls for an 8 percent increase over 1993.

The revenues certified by the General Comptrollership of the Republic stand at 175 billion colones, from which we can infer that the budget includes the issuance of 25 billion in bonds, he said.

It bears emphasizing, however, that the budget bill, which is regarded as the most important one that Congress takes up annually, does not traditionally include funding for institutions of higher learning, total wages and pensions, and payments on the domestic and foreign public debt.

Transfers, wages, and public-debt servicing together account for almost 90 percent of total spending.

This could be the negative side, as it suggests that the budget is underfinanced and entails a deficit that could exceed 50 billion colones in 1994.

The positive side is that the revenues certified by the Comptrollership General may be very conservative and that receipts could be greater in 1994, which would mean that the government would not have to resort to the authorized issuance of bonds.

Nevertheless, there could be some odd developments in all this.

If we compare the budget as it will be sent to the Legislative Assembly on 1 September, as provided for by the Political Constitution, with the 1993 budget, the former could turn out to be smaller or only slightly larger.

Last year the administration submitted a budget of 138.256 billion colones (certified revenues) with bond sales of 30.345 billion, which were later increased to 68 billion.

The administration will most likely again argue this time that there is very little room for spending cuts because wages and other large items account for the majority of outlays.

In 1993, wages accounted for 32.7 percent of outlays, and 70 percent of the wages went to education, domestic security, the administration of justice, and payment of Christmas bonuses.

These are untouchable items that also cause spending to rise.

Meanwhile, transfer payments this year account for 37 percent of total spending, prominent among them being social security, legal benefits, pensions, and the fund for higher education. The latter item accounts for almost 70 percent of transfer payments.

Of the remaining 7.6 percent the administration earmarks less than three percent for purchases (from pencils to cars) and just four percent for investment programs.

Some government economists contend that the administration has come up against a limit in its use of corrective policies to restrain the growth of spending in the public sector and that legislative action is required in order to undertake new initiatives in this field.

Without such reforms the administration has said that there can be no thought of cutting spending without causing social conflict.

Meanwhile, representatives of the private sector have stated that the country should begin a more intensive privatization in order to solve this problem with the funds that are raised from the sale of state-owned enterprises.

The Finance Ministry's budget office "is working against the clock" to have the budget bill ready by next week, Deputy Minister Brenes indicated, and thus the main sources of revenues are not yet known.

It bears emphasizing, however, that most current revenues have traditionally come from taxes, among which the levies on sales, income and consumption, as well as import duties, are very important.

Import duties could, in fact, be a problem in 1994. The reason is that this year, owing to the large trade deficit, the administration has taken in huge revenues from taxes on imports and income as the earnings of businesses have risen.

Some opposition economists have called these revenues temporary, asserting that when the country does not get them next year, a difficult situation could arise in public finances and would have to be sorted out somehow. Some private groups indicated that the falloff in revenues would have to be countered with more aggressive tax collection.

The private sector is worried that if greater revenues are not raised this way, the government will have to sell bonds, which boosts government spending and adversely affects interest rates.

* First Half Exports Up 13 Percent

93CA0200B San Jose LA REPUBLICA in Spanish 1 Aug 93 p 12A

[Article by Wilmer Murillo]

[Text] Exports posted a 13 percent increase in the first half of 1993, the government's Investments and Exports Promotion Center (CENPRO) has reported.

As of June of this year exports had brought $1.277 billion into the country, a monthly average of $188 million.

Nontraditional exports account for the largest relative share with $542 million, 42 percent of total overseas sales during the first half.

Traditional items, meanwhile, account for 33 percent of exports to date.

It is noteworthy, however, that as of the same date last year traditional items accounted for the biggest share of exports (39 percent), while nontraditional products accounted for 37 percent.

This can be attributed to the fact that the revenues generated by nontraditional goods have increased over the past year at a rate of 28 percent, whereas during the same period the revenues from traditional items have declined by two percent as a result of a drop in coffee shipments.

Tourism, for its part, continues to post steady growth this year, as revenues are up 16 percent in the first half of 1993 from the same period in 1992. This activity has generated $252 million during the first six months, accounting for 20 percent of total exports.

The assembly plants posted growth of 13 percent during the first half of 1993. The revenues generated by this activity stood at $57.8 million during this period.

Costa Rica's imports and exports account for 80 percent of GDP, the sum total of the goods and services of a country in one year ($6 billion).

The numbers furnished by the Foreign Trade Ministry show that total imports and exports this year will stand at $4.9 billion.

This is high compared with other Latin American countries that have undertaken major trade-liberalization programs, such as Chile (40 percent), and highlights how heavily dependent Costa Rica is on foreign trade. Exports in 1993 will total $2.6 billion, to which must be added $500 million in tourism earnings.

Nontraditional exports will bring $1.3 billion into the country. The two categories will account for 80 percent of the country's total revenues this year.

Exports to Central America will account for 15 percent of total exports. This is less, however, than the revenues from the free trade zones, which this year will be around [no figure given].

Among the nontraditional exports that are up the most are melons ($30 million), ornamentals ($60 million), and pineapples ($30 million).

Industrial sales will be up 10.5 percent, the highest growth rate in their history, while coffee sales will account for just 10 percent of total exports.

* GDP Hits $6.35 Billion, Exports $782 Million

93CA0200C San Jose LA REPUBLICA in Spanish 23 Jul 93 p 9A

[Article by Wilmer Murillo]

[Text] Industrial sector exports, the assembly-plant firms, and the companies that set up shop in the free trade zones in 1992 accounted for 12 percent of the GDP, the country's total goods and services, the government's Investment and Exports Promotion Center (CENPRO) reported.

The GDP last year hit $6.35 billion, $782 million coming from exports generated by assembly-plant industry and free trade zones.

Exports of industrial goods generated $612 million. The assembly plants sent $108 million in merchandise overseas, and the country earned $62 million from the free trade zones. Moreover, the contribution of these sectors has increased since 1987, when they accounted for eight

percent of GDP. In 1989 and 1990 industrial exports accounted for 11 percent of GDP and in 1991, 12 percent.

The GDP in 1987 stood at $4.553 billion, and industrial exports amounted to $380 million. Three years later, in 1990, the GDP was $5.7 billion, $604 million of which came from overseas industrial sales.

Of the $380 million from industrial exports of assembled items or goods sent overseas from free trade zones in 1987, merchandise from the industrial sector brought in $331 million, the assembly industry $44 million, and free trade zones $5 million.

Six years ago, industrial exports proper accounted for 87 percent of the total overseas sales of industry, assembly plants, and free trade zones, representing seven percent of GDP.

In 1992, industry produced 78 percent of the joint exports of the three groups, and the foreign exchange brought in by industrial output, not counting the assembly plants and the free trade zones, exceeded 9 percent of GDP that year.

* Foreign Trade Deficit Hits $501.2 Million

93CA0200D San Jose LA REPUBLICA in Spanish 19 Aug 93 p 14

[Article by Wilmer Murillo]

[Text] The trade deficit, the difference between exports and imports, hit $501.2 million in July, Roberto Ramirez of Sigma Consultants reported.

This is an increase of 103 percent over the deficit for the same period the year before, $246.3 million.

Cumulative exports as of this July stood at $1.202 billion, whereas as of July 1992 they amounted to $1.083 billion. This represents an 11.4 percent rise in exports, he noted.

Ramirez indicated, however, that imports during this period have increased faster, 28.16 percent, rising from a cumulative $1.329 billion in July 1992 to $1.703 billion in July 1993.

If we compare the first seven months of 1993 and 1992, we see that imports have risen 2.5 times faster than exports, which is why the cumulative deficit as of July is the highest in history, $501.2 million.

He pointed out that if the trend up to now were to continue, imports for all of 1993 would be close to the record total of $3 billion, meaning that the trade deficit would also hit a record of around $850 million.

To prevent these figures from actually coming true in December 1993, the Central Bank decided this August to increase the percentages that banks must maintain in the Central Bank (legal reserve requirements) in an effort to tighten liquidity and credit in the economy and thus reduce the amount demanded by imports.

* July 93 Inflation Rate at 1.1 Percent

93CA0200E San Jose LA REPUBLICA in Spanish 4 Aug 93 p 14A

[Article by Wilmer Murillo]

[Text] Inflation this July was 1.1 percent, the Ministry of Economy, Industry, and Commerce reported.

The consumer price index (CPI), an inflation gauge, was down from June, when the rate stood at 1.3 percent. The year-to-year rate (July 1992-July 1993) was 9.81 percent, almost three points below the target that the administration of President Rafael Angel Calderon has set.

The June 1992-June 1993 rate was 8.61 percent.

The previous monthly inflation rates were 1.3 percent in June, 0.97 percent in May, 1 percent in April, 0.35 percent in March, 0.57 percent in February, and 0.41 percent in January.

Cumulative inflation was 5.84 percent, whereas by July 1992 it stood at 12.69 percent. In July of last year, though, the inflation rate was just 0.6 percent.

The items posting price rises during the month were medical and dental services, beef, electric power, water, and telephone service, while the prices of legumes and vegetables dropped sharply.

Correction—Government on U.S. Withdrawal From OIC

PA2909165993

The following correction pertains to the item headlined "Government Regrets U.S. Withdrawal From OIC" published in the 29 September Latin America DAILY REPORT, page 20. Column one, third paragraph, fifth sentence reads: ...Canet said, the Organization of Coffee-Producing Countries [APPC] was established and... (correcting organization name per monitor recheck).

Colomn one, fourth paragraph, last sentence make reads:...in the OIC [new graf]

The APPC will continue its work. The APPC, which was established... (correcting acronym per monitor recheck).

El Salvador

Presidency Minister Says Butrus-Ghali Report 'Outdated'

PA2909134993 San Salvador Radio Cadena YSU in Spanish 1805 GMT 23 Sep 93

[Report by Balmore Parada]

[Text] Presidency Minister Dr. Oscar Santamaria said on 23 September that the report on El Salvador that UN Secretary General Butrus Butrus-Ghali will read at the UN annual meeting is outdated. Butrus-Ghali, in his annual report to the 48th UN General Assembly, will discuss the progress of the Salvadoran peace process. He believes there are delays in several aspects. Dr. Santamaria emphasized that his report reflects the situation as of last July.

[Begin Santamaria recording, in progress] ....but it is September now. We have, undoubtedly, achieved progress. My presenting a periodic report is a UN regulation. This is why the report points out certain aspects that, according to the secretary general, perhaps should have been performed differently as part of the implementation and compliance with the agreements. I can say that an extraordinary effort has been made to comply with the agreements.

Although the secretary general's assessment is valuable, perhaps what we have achieved with his representatives in our country is more important. One of them is the Onusal [United Nations Observers for El Salvador] director, who at this time is submitting his report to the secretary general on the progress of the process in the last weeks. Thus, Mr. Butrus-Ghali will deliver an updated report before the Security Council in the next few days. We understand it is being prepared at the UN headquarters in New York. [end recording]

Dr. Santamaria admitted, however, that there are delays in implementing certain peace agreements signed by the government and the FMLN [Farabundo Marti National Liberation Front]. He added that the delays are superable.

[Begin Santamaria recording] I do want to point out that there have been difficulties; we have never stopped talking about them. The president has mentioned them in public. We have had some delays and difficulties throughout the process, but if you read the text of Butrus-Ghali's report, he recognizes again that the Salvadoran peace process is an exemplary process among all world peace processes; thus, this gives us an idea of how serious, responsible, and irreversible the process we are handling is.

The most important factor to underscore is the irreversibility of the Salvadoran peace process. Although there could be delays in our compliance with certain commitments, the process has not turned back. The process is moving forward, and it is here where we believe the Salvadoran peace process is showing its virtues. We are more than pleased that the international community, which is represented by the secretary general, believes so. [end recording]

The presidency minister added that a government delegation headed by President Alfredo Cristiani will travel this weekend to New York to deliver a message to the UN annual meeting on the political and socioeconomic situation of El Salvador on 27 September.

ARENA Reorganizes National Executive Council

PA2909180393 San Salvador EL DIARIO DE HOY in Spanish 27 Sep 93 p 13

[Text] Six months from the general 1994 elections, the country's leading political group, ARENA [Nationalist Republican Alliance] on 25 September reorganized the National Executive Council (Coena), which is comprised of the political organization's highest leaders.

In a general assembly, ARENA President Armando Calderon Sol said that the leaders who conclude their term, according to the statutes, have faced difficult moments for the party, including Major Roberto d'Aubuisson's death. Calderon said the party's strength is derived from the philosophy bequeathed by Maj. d'Aubuisson. "We are the country's saving force, and that is why others envy us," he said.

President Alfredo Cristiani achieved peace in the country because he is supported by a strong and united party. "ARENA's members represent peace and national reconstruction, and this is evident to the Salvadoran people."

President Cristiani stated, in his role as an ARENA member, that the political group will emerge victorious in the first elections to be held after the war ended, although the left is trying to oust ARENA from the government. For example, the left has 2,500 hired people working in the campaign, but in ARENA "we have never been political mercenaries," only nationalists who work based on their convictions.

Cristiani said the next electoral victory will be based on the specific results achieved by the current administration, including the achievement of peace and an increase in the health, education, and public works sectors.

ARENA's new Coena is comprised as follows: Armando Calderon Sol, Roberto Angulo, Guillermo Sol Bang, Gloria Salguero Gross, Carlos Mejia Alferez, Juan Jose Domenech, Raul Somoza Alfaro, Victoriano Moreira, Arnoldo Perla, Eduardo Interiano, Rafael Castro Gomez, Roberto Bara, and Roberto Llach Hill.

Jaime Alvarez, Jose Roberto Cano, Mauricio Zablah, and Ricardo Leon are no longer Coena members. They have been replaced by Eduardo Interiano, Rafael Castro Gomez, Roberto Bara, and Roberto Llach. The party's leadership will be in charge of the first strategies for the 1994 elections, in which the new 84 Legislative Assembly deputies, 262 mayors, and president of the Republic will be chosen.

FMLN Faction Abandons Marxist-Leninist Doctrine

PA3009002893 San Salvador Canal Doce Television in Spanish 0300 GMT 29 Sep 93

[Report by Julio Menendez from the "Up-to-Date" newscast—passages within quotation marks recorded]

[Text] Today, the ERP [People's Revolutionary Army], one of five groups that form the FMLN [Farabundo Marti National Liberation Front], announced that it has abandoned the Marxist-Leninist line and that it will embrace social democratic thought. In an unprecedented action among those groups that form the FMLN, the ERP decided to take a giant step in its political life and announced that it was withdrawing from the Marxist-Leninist ranks.

According to ERP Secretary General Joaquin Villalobos, one of the main advocators of the ideological change, the decision gives continuity to a historic position, which is also pragmatic and flexible.

[Villalobos] "The framework of the election struggle—even including the Chapultepec peace agreements—places the FMLN near several very concrete ideological positions that are social democratic in nature. The point is that in the future, individuals, sectors, and organizations—probably in a joint manner—will take steps to formalize their social democratic ideological position."

The ERP Directorate, which as of Tuesday has defined itself as center-leftist, said it expected other groups within the FMLN and even other groups in the country's business sector to adhere to social democratic ideology in the future.

[Villalobos] "This is a calling that is not limited to previously leftist groups. It is a calling that, I believe, will extend much further."

Meanwhile, ERP leader Ana Guadalupe Martinez stated that the Directorate is adhering to the social democratic ideology that is still being established within the realm of national politics.

[Martinez] "Social democracy increasingly clarifies many of the people's past concerns—specifically, concerns regarding the left's dogmatic and authoritarian tendencies."

The consequences of the ERP's new political alignment on the FMLN's granite-like unity cannot yet be seen, according to Ana Guadalupe Martinez. Nevertheless, another group, the People's Liberation Forces, endorses another ideological proposal that runs closer to the Marxist-Leninist ideology and could prompt differences within the organization.

Guatemala

* De Leon's Two-Year Social, Economic Plan

93CA0195A Guatemala City SIGLO VEINTIUNO in Spanish 13 Aug 93 pp 12-13

[Text] The economic and social challenges contained in President De Leon Carpio's plan for the 1994-95 period that was made public yesterday are based on the fight against extreme poverty, the transformation of production, protection of the environment, and governmental reform.

The needs outlined in the government's program are based on the experiences of previous governments that had to face declining private investments, an inability to mobilize adequate resources, poorly allocated public spending, and government inefficiency.

Fight Against Poverty

The government has made the fight against poverty its top priority. According to figures contained in the program, our country is among those Latin American nations experiencing the greatest difficulty in meeting basic needs.

In terms of poverty levels, the most recent studies indicate that 75.5 percent of all households fell into the category of "poor" in 1989. Of these, 54 percent live in extreme poverty and cannot even satisfy basic dietary needs.

Given the level of need, the strategy of the fight against poverty will be based on specific criteria for granting subsidies, community solidarity, co-responsibility, and self-help. At the same time, efforts will be directed toward meeting people's most urgent needs.

1) Policies and Action

In waging the fight against poverty in 1994, the government intends to increase its efficiency in handling economic and social policy. This will mean guaranteeing economic stability, laying the foundations for growth, mobilizing public resources for social programs, protecting purchasing power, and developing investment and savings.

Regarding macroeconomic policies and policies designed to develop private investment, efforts will be directed toward creating productive jobs and priority given to strengthening "mini," small, and medium-size enterprises.

On the labor question, the plan intends to observe and respect existing legislation. In addition, all sectors involved in the productive process will be encouraged to formulate a policy of security and prevention [as published] in accordance with the country's economic circumstances.

2) Sectorial Policies

Sectorial and multisectorial policies will seek to encourage action and measures resulting in the greatest social benefit and contributing to the fight against poverty in the fields of agriculture, education, health, drinking water, and housing.

Agriculture

The effort in the field of agriculture will be directed toward promoting production in order to guarantee a

reliable food supply, create productive jobs, increase productivity, and halt the rural exodus to the cities.

Priorities include increasing the production of small farmers, particularly in priority regions, thus ensuring a regular supply of food and promoting their incorporation into national and international markets.

In addition, the government will seek to increase the production potential of the small and medium-size farmer through research and agricultural extension programs, irrigation and mini-irrigation projects, the optimization of land use, and support for a reliable food supply.

Education

In the field of education, the government will attempt to increase the school system's "coverage," particularly at the preschool and primary levels, with emphasis on rural areas and the education of girls, implying an improvement in the quality of education.

An effort must be made to expand literacy training by using innovative techniques that will make it possible to carry out action aimed at reducing the rate of illiteracy.

Health

Health is another major issue implying expanded coverage in rural areas, with special attention paid to pregnant and nursing mothers and malnourished children, as well as the startup of preventive family health and education programs.

The government's plan also places emphasis on expanding and improving drinking water and environmental cleanup services, inasmuch as the inadequacy of such services is one of the main causes of morbidity and mortality.

Housing

Another item on the agenda of De Leon Carpio's administration is the drafting of a housing policy that fully integrates institutional and financial aspects, including the fate and conceptualization of the Guatemalan Housing Fund (FOGUAVI), in order to handle problems in this area.

The document states that an institutional framework must be designed for the sector so that one agency will be responsible for planning, coordinating, setting guidelines, and supervising housing programs, as well as promoting the conceptualization and implementation of housing policies.

These goals imply the drafting of a technical program and the transfer of the health portfolio to banking institutions. They involve the future administration of housing projects and the definition of followup for programs receiving outside funding in order to liquidate BANVI [National Housing Bank] and introduce the corresponding bill in the near future.

A bill must be drafted on the national system to finance housing in order, in medium-range terms, to expand programs for low-income financing, savings, and loans granted at current market rates.

3) Rechanneling and Overseeing Public Spending

Based on the government's prospects for next year, public spending should be overseen and rechanneled toward those municipalities with the highest rates of poverty. In order to achieve this goal, the geographic priorities set by SEGEPLAN [General Secretariat for Economic Planning], FONAPAZ [National Peace Fund], and CIEN [National Economic Research Center] will be used.

In order to provide financial support to priority areas, efforts must be continued in the direction of increasing tax revenue and reducing the cost of social services, particularly for health care and education.

Another important point in the government's plan is the mobilization of resources for the continued provision of social services by adapting the rate schedule and basing it on the lowest-income brackets' ability to pay.

4) Performance

In order to increase the government's ability to meet its goals, the Social Investment Fund will be increased in 1994 and made responsible for providing funding for small-scale community and local government projects.

The National Peace Fund will direct, supervise, and coordinate public and private programs and projects aimed at helping those victimized by the civil war.

In addition, the Guatemalan Housing Fund, which will channel domestic and foreign resources toward the financing of housing programs for low-income families, including improved as well as unimproved lots, buys, builds, expands, and improves housing.

The 1993 Budget includes the creation of the National Community Development Fund, which will ensure that development councils will finance the execution of municipal projects.

Transformation of Production

The government proposes balanced development requiring five fields of action in terms of economic policy (the consolidation of macroeconomic bases, private investment, support for productive activities, improved quality of public spending, and integration into the world economy) in order to guarantee stability, growth, and productive employment.

1) Consolidation of Macroeconomic Bases

In terms of macroeconomic goals, the government wants to bring inflation down to a rate of about 7 percent annually, limit the foreign deficit to sums compatible

with the country's foreign debt capacity, reduce domestic interest rates, and eliminate the lag in the real exchange rate.

Another challenge is to speed up the growth rate under conditions of economic and financial stability. This implies raising the growth rate of the gross domestic product to at least 5 percent between 1994 and 1996..

The government also plans to promote the production of marketable goods, generate new export products, and open up new markets for the Guatemalan economy.

In order to achieve these objectives, efforts must be made to eliminate the operating deficit of the Bank of Guatemala [BANGUAT], [guarantee] its autonomy, reform the national financial system, improve the general terms governing private investment, and improve the country's economic structure.

1) Stabilization Policy

In this area, continued support will be given to action on fiscal and financial policy in order to reduce inflation and keep the exchange rate stable.

In the field of monetary policy, the goal is to ensure that BANGUAT continues to cut its operating losses by reducing the short-term foreign debt and high interest rates, lowering interest rates for operations on the open market, and raising rates which the public sector pays to the Bank of Guatemala.

In terms of fiscal policy, efforts will be directed toward reorganizing public finances, limiting the fiscal deficit to the amount of foreign financing available, and increasing savings in current accounts to an average of at least 3 percent of the GDP between 1994 and 1995.

In addition, an effort will be made to raise the tax burden to 12 percent for 1995. Regular spending will be limited to a maximum 9 percent of the GDP during the same period, while investment spending and the government's social spending will rise sharply.

The government's plan indicates that it intends to continue the policy of eliminating overall and indirect subsidies that do not fulfill any specific social function. This will be achieved by continued work on the program to modernize taxes and rationalize public spending.

In terms of collecting taxes, the government will promote the approval and issuance of the territorial tax in place of the single property tax. Roughly 60 percent of the funds collected will benefit municipalities.

The government will seek to pass whatever legislation is needed to fight and penalize tax evasion, promote audits and administrative reforms in the Ministry of Finance, privatize customs, and achieve fiscal decentralizationn in exchange policy.

It will study the feasibility and suitability of eliminating the concentration of foreign exchange in BANGUAT. This in turn will mean that its monetary program will not be influenced by the accumulation or decline of international reserves and enable the Bank to intervene on the foreign exchange market when it wants to control liquidity and the stability of the exchange rate.

Government assets will be sold, with part of the revenue earmarked for early amortization of the domestic debt. This in turn will make it possible to eliminate an important source of monetization and free up resources for programs to fight poverty.

In addition, the possibility of obtaining international credit will be studied, offering GUATEL [Guatemalan Telecommunications Enterprise] profits from international calls as security.

As part of its financial reforms, the government wants to eliminate existing elements of repression, guarantee the autonomy of the monetary authority, deregulate financial markets in order to make the expansion and diversification of financial services possible, and promote increased competition in the sector.

In addition to these measures, an effort will be made to improve the solvency of the financial system, redirect and intensify banking supervision, implement new cautionary reforms, and reorganize the Office of Superintendent of Banking, endowing it with autonomy and power.

Regarding state-owned banks, a plan will be designed for the future liquidation of BANVI, and housing construction will be financed by appropriate mechanisms. Reorganization of BANADESA [National Agricultural Development Bank] will begin and CORFINA [National Financial Corporation] and CELGUSA [Guatemalan Cellulose] will be liquidated.

2) Promoting Private Investments

In 1994 and 1995, the government proposes to promote private investments by improving the legal framework in order to eliminate barriers to new markets, improve working conditions and the labor market, raise productivity, and protect access to the General System of Tariff Preferences.

According to the plan, an effort will be made to set up a series of mechanisms facilitating the registration of new commercial firms, demonopolization, the launching of a single investment window, regulation of the security market, and expanded technical training programs.

Other points under consideration for next year would develop support for productive activities of the business sector, particularly in industry and tourism. An attempt will also be made to improve the quality of public spending.

Finally, the government will try to integrate the country into the world economy. In addition to the economic

measures previously described, it will seek new international aid agreements relating to the creation of the infrastructure needed to achieve greater economic development.

Government Reform

Government reform involves redirecting programs carried out by every ministry or institution in the public sector, concentrating on improving the focus, efficiency, and coverage of priority programs.

An attempt will be made to increase community participation in the planning, operation, maintenance, and financing of the social infrastructure, while promoting nontraditional methods of execution with extensive participation by nongovernmental organizations.

Other reforms will be implemented in the fields of education, health, the social welfare system (IGSS [Guatemalan Social Security Institute], the IPM [Military Planning Institute, Passive Classes), state-owned agricultural sector, and reform of the legal and institutional framework in order to strengthen development efforts.

The plan also makes mention of drafting coordinating procedures within the government (the Cabinet, Office of Executive Secretary, working committees). Thought is also being given to eliminating the Ministry of Development, Culture and Sports and the Committee of National Reconstruction (CRN).

Note: This summary of the government plan for the next two years is subject to minor modifications that may be formulated by ASIES and CIEN technical teams.

* Economic Aspects of Plan

93CA0195B Guatemala City PRENSA LIBRE in Spanish 14 Aug 93 p 63

[Article by Conrado Monroy Hernandez]

[Text] On the matter of state-owned banks, President De Leon Carpio will announce the drafting and implementation of a plan for the liquidation of the National Housing Bank (BANVI), while providing financing for housing construction through appropriate mechanisms. BANDESA [National Agricultural Development Bank] will also be reorganized so that it may concentrate on helping small producers and adopt measures for its own refinancing.

Another organization to be liquidated is the National Financial Corporation (CORFINA), a process that will take place after a settlement is reached on the Guatemalan Cellulose, Inc. (CELGUSA) debt.

In addition to these demonopolization measures, the government will pledge to simplify procedures and regulations governing the registration of new firms and the authorization of work permits and visas. It will reform and promulgate the INTA [National Institute of Agrarian Reform] law defining the property rights of the beneficiaries of agrarian reform and the granting of agricultural land deeds. It will standardize requirements governing investments and the opening of new businesses by national and foreign investors, particularly in the areas of banking, housing construction, fishing, transportation, mining and hydrocarbons, tourism, and radio and television.

It will also promote bilateral investment treaties with friendly countries in order to avoid double taxation, promote and protect foreign investment, guarantee investments against commercial and noncommercial risks, and protect industrial and intellectual rights.

It has also suggested the possibility of modifications in the Labor Code so as to adapt it to international conventions signed by Guatemala on workers' rights and the revision of Article 13 of that legislation setting requirements that must be met by foreign investors which constitute an impediment to direct foreign investment.

De Leon Carpio will also propose joining with the private sector to draft a program supporting the Investors Service Center of the Employers Chamber (CAEM) and the National Commission To Promote Exports (CONAPEX).

As part of the program to optimize land use, a program that seeks to promote the conditions needed to incentivize long-term private investment applied to suitable use of that valuable resource, the government will back the buying and selling of land for farming, livestock-raising and forestry. This task will be the responsibility of INTA [National Institute of Agrarian Reform] and nongovernmental organizations.

The government's plan for 1994-95 also considers the elimination of market distortions resulting from government intervention and the existence of monopolies and oligopolies.

With respect to industry, the government proposes to promote a coherent, effective industrial policy aimed at creating the conditions enabling national industry, via a process of industrial conversion, to adapt to the new requirements of the national and world economy.

In order to promote industrial conversion, emphasis will be placed on channeling lines of foreign financing toward small industry through the commercial banks. These credit programs will be closely linked to technical assistance, followup, and the supervision of credit granted in order to guarantee its efficient and productive use.

Support will also be given to the organization of industrial credit unions, guarantor clubs, and other types of organizations in order to facilitate access to credit and guarantee repayment.

Concerning tourism, the president will announce his unlimited and unwaivering support for that sector through the development of a diversified, balanced, and harmonious form of tourism based on the concept of ecotourism.

Joint action of the government and private sector will be based on five themes: modern and colonial Guatemala, the living Altiplano [high plateau], adventures in the Mayan world, a different Caribbean, and a natural paradise.

The government's plan emphasizes that the policy of public investments and social spending will play a central role in the government's economic and social strategy.

Public investments and social spending will be aimed at supporting efforts to fight poverty and transform production. This will include, on the one hand, expansion and improvement of the basic infrastructure and services that support productive activities and, on the other, an increase in the productive capacity of the poor via the training of human resources and access to key assets and consumable expenditures (credit, land, housing, fixed capital, and so on), in addition to the improvement and expansion of essential public services.

In order to achieve these objectives, the government will seek to implement an overall strategy of public spending basically oriented toward achieving levels of public investment and social spending compatible with medium-range development requirements. From this standpoint, the government deems it impossible to continue with a rate of investment of under 3 percent of the gross domestic product. The minimum goal should be achieved during the period from 1994 to 2000 with an average annual rate of 5 percent, although this figure is still low compared with other countries with a similar rate of development.

Another area to which the government intends to devote major efforts is Guatemala's reintegration into the world economy. Action aimed at achieving this goal includes laying the foundations for the Customs Union, promoting regional financial integration, promoting the coordination of taxes on the isthmus, and coordinating and reconciling economic and social policies.

In order to provide full support for the development, supervision, and followup of projects, President De Leon Carpio proposes to strengthen the National Public Investments System (SNIP), whose basic purpose is to provide whatever information is suitable, necessary, and timely in order to make more efficient and rational decisions on programs and projects to be incorporated into investment budgets and guarantee the efficiency of rational execution and control.

* First-Half Trade Deficit Hits $544.9 Million

93CA0195C Guatemala City PRENSA LIBRE in Spanish 4 Aug 93 p 86

[Text] During the first half of this year, Guatemala spent $544,877,000 more on purchases abroad than it took in for exports, according to the latest report from the Bank of Guatemala's Department of Economic Statistics.

According to customs forms and declarations, exports from January to June 1993 totaled $671,424,000. The figure can be broken down as follows: principal export products (coffee, bananas, sugar, cardamom, meat, oil, and cotton), $298.57 million; other products, $169,792,000. Exports to Central America totaled $203,062,000.

Products generating the most revenue during the first half of the year were: coffee, $165,804,000; bananas, $52,218,000; leaf and processed tobacco, $30,448,000; produce and legumes, $17,376,000; cardamom, $17,338,000; and chemical products, $15,904,000.

The five main recipients of Guatemalan exports were the United States ($267,893,000); Germany ($34,312,000); Mexico ($23.5 million); Holland ($14,499,000); and Panama, $13,631,000). The biggest buyer in Central America was El Salvador, with $93,498,000, while the smallest was Nicaragua, with $27,109,000. All figures are based on the price of products at the port of origin (FOB price).

Imports

Imports for the first six months of 1993 totaled $1,216.3 billion, $113,995,000 of which came from Central America. Other countries accounted for $1,102.3 billion. Guatemala bought products from the United States worth $544,277,000; Mexico, $83,148,000; Japan, $68.76 million; Venezuela, $65,479,000; and Germany, $51,195,000.

El Salvador was the Central American country that sold the most to Guatemala, with $68,574,000, followed by Costa Rica, with $32,398,000. Nicaragua imported only $1,873,000 worth of goods.

From these figures, one can deduce that Guatemala continues to depend on agricultural exports, which poses a problem for the country's economy inasmuch as the prices of some of these products have fallen on the world market. In addition, restrictions are increasingly being placed on their entry into certain regions of Europe and the United States.

* National 1994 Budget of 9 Billion Quetzals

93CA0195D Guatemala City PRENSA LIBRE in Spanish 20 Aug 93 p 98

[Text] The Ministry of Finance revealed yesterday that the nation's budget for 1994, including revenue and spending, could total 9 billion quetzals. Payments on the foreign debt and investment programs will have an enormous impact on spending.

Based on information available, the public debt alone will cost the government some 2 billion quetzals, and a like sum will be earmarked for investment projects included in social and human development programs which President Ramiro de Leon Carpio plans to promote.

The finance minister said intense work had been under way in recent days on drafting the nation's general budget, which, after being seen by the Cabinet, will be sent on to Congress for discussion and approval.

"On 2 September, we will present to the Legislature our nation's projected revenue and spending for next year. Right now we are working on the breakdown ministry by ministry based on proposals that they have submitted to us," he said.

According to official information, the government's needs are many, but priority will be given to what is strictly necessary in order to achieve the social and human development mainly required by people living in rural areas.

It was explained that the 1994 budget will be slightly larger than this year's, which totaled 7.945.6 billion, although some allocations have been increased, as in the case of the 100 million for the Judicial Branch.

* Basic Needs of Repatriated Indians Not Met

93CA0195E Guatemala City PRENSA LIBRE in Spanish 26 Jul 93 p 28

[Text] The 150 cases of malaria recorded in the community of Victoria 20 de Enero, to which 2,800 Guatemalans have returned from Mexico this year, speak to the harsh conditions under which these direct victims of the civil war are living, according to an ACAN-EFE dispatch.

Victoria 20 de Enero is where 563 families are now living, families who crossed the Mexican border six months ago after spending a decade as refugees as a result of Army attacks on guerrillas belonging to the Guatemalan National Revolutionary Unity (URNG).

The community is located in the northern Department of Quiche, where action by the guerrillas is more frequent. Security is precarious and sanitary conditions highly inadequate.

Ricardo Curtz, member of the Permanent Refugee Commissions (CCPP), told ACAN-EFE that the outbreak of malaria which struck over 150 children was controlled by the combined action of the government, international organizations, and the community.

In the opinion of the CCPP official, who lives in the capital, the situation has improved only because of the community's own internal organization "because, when it depends on government agencies, nothing happens."

He explained that the community and surrounding area had been fumigated by the Ministry of Health, which launched out an all-out attack on the anopheles mosquito (which spreads the disease) and provided medical care for the sick.

In his opinion, the intervention of three physicians from the international "World Doctors" organization and two from the Special Commission for Assistance to Refugees (CEAR) and the Ministry of Health prevented an epidemic and the declaration of a state of emergency.

While admitting that "some things have changed," Curtz said that government funds are needed to improve the living conditions of refugees, most of whom are Indians, and communications with other villages.

He also asked for greater care on the part of authorities distributing grain donated by the World Food Program because the bags of corn received "are nearly reduced to powder by the time they arrive and not even animals will eat it."

However, for Curtz, a 29-year-old Indian, the situation "has changed somewhat" in recent months because the settlers have already abandoned the *champas* (caves) where they were living and now have farm houses "like those of any other peasants, with sheet metal roofs and walls of wood."

They also have a "little school" where classes are given promoting education recognized by the ministry, drinking water tanks, and over 100 latrines. More are being built, Jorge Sanabria emphasized.

The CCPP plan to organize the repatriation of 194 more families from Mexico in the months ahead. They will be sent to the municipality of Nenton (Huehuetenango), where a ranch is being purchased.

A week ago, the Office of Attorney General for Human Rights urged Ramiro de Leon Carpio's government to meet the basic needs of repatriated persons in terms of housing, health, food, and education.

Over the past decade, the domestic armed conflict has caused the uprooting of over a million Guatemalans, some 40,000 of whom are still living in refugee camps in Mexican territory.

Honduras

Government Grants Asylum to 5 Cubans

PA3009043893 Mexico City NOTIMEX in Spanish 1817 GMT 25 Sep

[Text] Tegucigalpa, 25 Sep (NOTIMEX)—Government Minister Celin Discua Elvir confirmed today the Honduran Government has granted political asylum to five Cubans who presented their request this week.

The official underscored that the government has granted political asylum to 11 Cubans in less than two months. Four of the defectors were members of the Cuban delegation that participated in the Seventh Central American and Caribbean University Games the week before last. The fifth Cuban entered the country in June 1993 to participate in a seminar sponsored by the Episcopal Church.

Discua Elvir warned that Cuban citizens should refrain from participating in acts that might threaten the state's sovereignty and system of government, if they want to keep their status as political refugees.

Another two Cubans arrived aboard a ship that docked at the northern port of Cortes on 20 September. Last Friday [24 September] they came to the migration department in Tegucigalpa to seek asylum.

Callejas Comments on Electoral Campaign, Debates

PA3009031093 Tegucigalpa Telesistema Hondureno Television Network in Spanish 0100 GMT 29 Sep 93

[Interview with Honduran President Rafael Leonardo Callejas by Sadid Rios at the Presidential Palace; from the "This Very Day" newscast—live relay]

[Text] [Rios] You have granted us this interview a few hours before the presidential debate. Mr. President, this year's presidential campaign has been very uncouth and trivial. How can Hondurans benefit from this debate?

[Callejas] I think the campaign has been very aggressive, but that does not mean it lacked substance or that it has been uncouth. Only certain stages of the campaign have been that way. It seems to me that formal aspects must be discussed in the next 60 days, and the debates mark the beginning of this stage. It is a stage when the presidential candidates will have to explain, in general terms, their positions regarding topics they will be asked about. A preselected panel will be in charge of asking the questions.

[Rios] The ruling party candidate will face three opposition candidates. Do you think he will be at a disadvantage?

[Callejas] Absolutely not. I think that the debate should be conducted with each candidate taking his own stand rather than uniting against any one person in particular. That will allow a clear discussion. It is easy for the opposition to take a stand and then fail to apply it when it gets in power. It is easy for the opposition to criticize the ruling party candidate's position and attack the government. However, there are important matters. According to a poll conducted by the government, more than 50 percent of the people polled favor the government. That means there is a very interesting contradiction for the candidates in all this. Perhaps they are opposed to something the majority of the people support: the good job done by this government.

[Rios] There are approximately 2 million voters, 30 percent of them undecided. Minority and majority parties appear to have equal chances. Do you think this will be an opportunity for minority parties to increase the number of their supporters?

[Callejas] Not that many people are undecided. I do not think the number is any higher than 5 or 10 percent. Traditional parties have already consolidated the number of affiliates, supporters, and those who will vote for them. Those who are undecided could change their mind. I do not think the minority parties will get any tangible benefits from an electoral point of view. However, for the first time in their history, they will have a big audience to listen to their political positions.

[Rios] What attributes do you feel are essential to win this debate?

[Callejas] The capacity to effectively summarize and convey information to voters.

[Rios] You are viewed as the leader of the Central American integrationist movement. Do you think your successor will play a similar role?

[Callejas] I hope so. Honduras believes that integration is vital. I hope the new president, lawyer Jose Oswaldo Ramos Soto, will complete the transition needed to continue the integrationist process in Central America.

Foreign Minister on Passports in Santa Rosa Cache

PA2909150693 San Pedro Sula LA PRENSA in Spanish 25 Sep 93 p 3

[Text] Tegucigalpa—Yesterday, the Foreign Ministry revealed the preliminary reports of the investigation conducted on the 48 Honduran passports found in the arms cache that exploded in the area known as Santa Rosa in Managua, Nicaragua, in July, which failed to establish the names of the individuals responsible for the operation.

Foreign Minister Mario Carias Zapata announced that as of next week, the investigation will be turned over to the Attorney General's Office, which must establish the degree of responsibility incurred by the government officials who signed the documents and by the people who appear as their owners.

According to the results of that investigation, penal sanctions will be established against those individuals who may have trafficked with the documents and may even have participated in terrorist and violent activities in Central America, Carias said.

On 27 September, the Honduran Government will join the investigations that are being conducted by an international group in Nicaragua in view of the fact that documents issued in other countries were found in the cache and the guerrilla cell to which it belonged was directed by a member of Spain's Basque Fatherland and Liberty, ETA.

Carias said that most of the passports were issued in 1983, 1984, 1988, and 1989, two of them in March 1990, and they all bore the signatures of people in charge of the Directorate of Passports on those dates.

The preliminary investigation conducted by the Directorate of Passports, the Foreign Ministry's legal department, and two Armed Forces investigators, shows that four passports were issued in the usual manner, one of them in 1983, belonging to Esperanza Gutierrez Lanza, another in 1988, owned by Santiago Fiallos, and two in May 1990, owned by Luis A. Mancia and Margarita Hernandez.

We also found that two of the documents had two sets of names; 19 had been tampered with, and one was issued in Los Angeles, California, and had no registration number, and 17 others were not registered at the Passport Directorate or the Income Tax Administration.

The foreign minister added that some of the names and photographs that appeared in the passports could have been forged and others could be the names of Honduran citizens, but that must be established by the Attorney General's Office.

In addition to the passports, according to a list issued by the Nicaraguan Government, identification cards, special travel permits for four minors, tax documents, drivers licenses, Honduran social security cards and birth certificates were found in the cache.

The foreign minister expressed concern over the discovery of blank passports, which would surely be filled with photographs and seals by the organizers of the subversive cell, while other passports had photographs that did not match the names of the people identified therein. Blank passports can only be obtained from the Income Tax Administration or from the passport section, due to which the subversive group's ability to obtain them raises suspicions.

The foreign minister admitted that the documents were issued by Foreign Ministry employees who were heads of the passport section or had the authority to sign them, among them Edelvina Urcina, Enriqueta Pineda, Vania Garcia and Veronica Yabloninski, but he explained that it is too early to determine their responsibility or to implicate them in acts of subversion. "Everything indicates that they (the employees) acted in good faith" when they processed the 48 passports that were found in the arms cache that exploded in Managua, he added.

Carias said the people who acquired the documents for subversive activities acted in bad faith, but he did not dismiss the possibility that others may have lost the passports, "and their good faith is not in doubt." He said that to avoid these situations, the issuance of passports has been restricted to the chief of the section and his assistant in Tegucigalpa, as well as to the person in charge of the office in San Pedro Sula.

Carias said it is too early to discuss the results of the investigation the Attorney General's Office is conducting, but he insisted that it is necessary to ascertain whether the people who signed the passports are penally or administratively liable.

The Honduran foreign minister said that the main issue for Honduras is that the Santa Rosa cache also contained lists of Latin American businessmen whom the guerrillas were willing to kidnap in exchange for money and political advantages. Although Honduran businessmen were not listed as targets, Carias Zapata said that "it is very worrisome and does not contribute anything to Honduras' image to be known as a country where necessary controls are not exerted over documents as important as passports, which are allowed to fall into the hands of strangers or people involved in criminal activities."

He said the U.S. Government also found that the ETA, which directed the operation, may also have been involved in the attack on the twin towers in New York in July. Although there is no information to the effect that the terrorists who perpetrated that attack used Honduran documents, "we know that people with Honduran passports and documents may have been involved in certain dynamite and personal attacks."

Nicaragua

Presidency Minister on Defeat of Helms Amendment

PA2909151793 Managua Radio Nicaragua Network in Spanish 1100 GMT 29 Sep 93

[Text] On 28 September, in a meeting with the country's media, especially the written and televised media, Presidency Minister Antonio Lacayo explained the political and economic achievements at the U.S. Senate and House of Representatives, where an amendment presented by ultra right-wing Senator Jesse Helms to cut off all aid to Nicaragua was defeated. According to Lacayo, Nicaragua has very good relations with the United States, whose government has shown its support for the government of Violeta Chamorro.

[Begin Lacayo recording] A significant development for our country occurred in the U.S. Congress. As a result of a very long bicameral session, the Democratic majority in Congress in coordination with the Democratic leadership at the Executive Branch and the White House has shown that there are great opportunities for Nicaraguans and for our country. They prevented hardline congressmen, who have been undermining the reconstruction process in our country, from hurting the legitimate aspirations of the Nicaraguan people.

We learned about the Helms amendment here last week, which was an attempt to cut off aid to our country at a time during which the U.S. Congress was approving U.S. assistance for Nicaragua for 1994. The purpose of the amendment was to prevent a country, that was moving from a totalitarian system to democracy, from getting U.S. assistance unless the property confiscated from U.S. citizens were returned.

Frankly, though Nicaragua was not mentioned in that amendment by name, it was meant for our country. The

amendment was voted down early this morning following an intense debate where we clearly saw the efforts done by Nicaragua's friends and the Democratic majority to give Nicaragua the opportunity we have been denied for over a year.

The decision came at a time during which President Violeta Chamorro met President Clinton for the first time. She has met with him twice in two consecutive days, both on Sunday night [26 September] as well as yesterday night. We must say there is friendship between them. The Clinton administration has clearly expressed its support for Nicaragua and this is part of this legislative battle, which undoubtedly will have a very positive impact in our country.

This decision again opens the doors to a stable relationship between our country and the United States in keeping with the aspirations of our government. It is a relation of friendship, mutual respect, and mutual benefit. Behind us are the times of friction in the days of Anastacio Somoza's government and the days of confrontation in the days of Daniel Ortega. Stability in our relations with the United States seems closer today. Stability in our relations is fundamental for our country's economic recovery.

We all remember how in March 1991 our government entered a monetary stabilization phase to eliminate weekly devaluations to which we were subject since January or February 1988. Stability is nothing more than a first stage before entering the economic growth stage. We wanted our economy to start growing in 1992, but economic growth was practically aborted when in May 1992, a year after achieving price stability in our country, Mr. Helms was able to stop the funds for our economy, which deeply disrupted our public finances. It altered all those delicate plans we had to maintain stability. The people are right to resent the lack of economic growth in our country. The people are suffering from a lack of jobs, the lack of a greater volume of financing.

We, as the government, are forced to take advantage of the opportunities that are opening before us with the decision made early this morning. We have to explain our economic situation to the international community, which has been supporting Nicaragua, as well as to international financial organizations. This allows for the efforts being made by Mrs. Violeta Chamorro in the United Nations as well as by our ministers at the World Bank and International Monetary Fund meetings today and tomorrow to be even more fruitful. [end recording]

Panama

Endara Cancels UN Trip Due to 'Terrorist' Plan

PA2909161793 Panama City LA PRENSA in Spanish 29 Sep 93 p 1

[Article by Orlando Mendieta C. and Hermes Sucre Serrano]

[Text] Yesterday, President Guillermo Endara canceled his trip to the United Nations, as state security forces are receiving reports about possible subversive activities and are conducting search operations in the capital in an attempt to arrest the alleged plotters of the terrorist plan. Even though a news bulletin from the Presidency stated the president's decision was due to the teachers' strike to demand higher wages, sources from the Presidency's Security Council have stated that they recommended Endara remain in the country. The president was scheduled to travel to the United States on 5 October to give his annual address to the representatives of the UN member countries.

Meanwhile, an official source has revealed that the police operation conducted yesterday near Cathedral Plaza and the 5th of May Plaza was part of a search operation to arrest individuals wanted by the law for actions against the state's stability.

According to the source, the security forces have a list with the names of these individuals. The most sought after individuals are Fernando Castillo and Evidelio Quiel, who are believed to have made telephone bomb threats to the Presidency.

In the operation, which appeared to be a police roundup, the authorities were also looking for foreigners who could have links to Castillo and Quiel. The operation was headed by Javier Cherigo, deputy director of the Judicial Technical Police, Inspector General Benjamin Herrera, Deputy Inspector General Idelfonso Suira, and Assistant Prosecutor Omar Macias.

Meanwhile, the Foreign Ministry has announced that a Panamanian delegation headed by Foreign Minister Julio Linares will address the 48th UN General Assembly in New York where he will talk about the strengthening of democracy, human rights, the fight against drugs, and drug trafficking.

He also will refer to the situation in Haiti, the Israeli-Palestine Liberation Organization agreement, the return of the Panama Canal to Panama in 1999, the result of the Tripartite Commission's study on the canal's alternatives, the Iberian-American Summits, and the Central American integration system.

Companies Violating U.S. Embargo on Cuba Outlined

Panama City EL PANAMA AMERICA in Spanish 3 Sep 93

[From the "Hidden Truths" column by Tomas Cabal: "Justice Department Monitoring Panamanian Companies"]

[Text] Cuban and Panamanian companies that insist on running the U.S. economic blockade against the tyrannical Castro regime are currently being monitored by the U.S. Justice Department. Reports from Washington confirm that the Clinton administration is determined to

close once and for all the "loopholes" used by companies to maintain commercial relations with Cuba from the Colon Duty Free Zone.

U.S. agents have provided information, which has facilitated the identification of the phantom companies operated by members of Cuban intelligence in our country. Officials of the Interior Ministry and the DGI [General Directorate of Intelligence], by taking advantage of the prevailing trade laws, continue using the Colon Duty Free Zone as a lifesaver.

The so-called "Panama Group" coordinates these transactions, and it has become a lifesaver of sorts for the battered Cuban economy. Juan Carlos Galesio, an Argentine reporter and an expert on the subject, says Cuban activity in Panama has been on the rise as a result of the serious deterioration Cuba experienced as the Soviet empire crumbled. Galesio has discovered that Cuban agents have created a whole new group of phantom companies with which they plan to evade the scrutiny of U.S. authorities.

Investigations carried out by Galesio reveal that, by taking advantage of its infrastructure in Panama, the Cuban Government is violating the U.S. embargo right under the gringos' noses. The Cuban Government's endeavor is supported by Panamanian businessmen and companies that receive dollars from Havana. This money is later deposited through an affiliate of the Banco Nacional de Cuba known as the Banco Financiero Internacional.

The Cubans stay afloat with trade activities estimated at $200 million a year by taking advantage of services provided by Spanish banks such as the Ibero-America and Bilbao Vizcaya banks. Meanwhile, companies such as Cubana de Aviacion, Corporacion Cimex, and Promociones Acuario manage the shipments that are sent to Cuba by air and sea.

Every week companies such as Trover, Intermar, and Melfi Marine move massive shipments of containers to supply the diplomatic stores and the hotels that appear to be Castro's last hope. Cuban ships, such as the Perla, Ostra, Erizo, and Estrella dock in Cristobal port. Cuban agents keep Castro's ailing communist regime alive by working closely with Panamanian businessmen, who argue that they are not concerned about "politics."

Companies such as Importadora Alo, Panotex, Importadora Sunsport, Pick-N-Pay, Lido Internacional, and Casa Bee's maintain commercial transactions with Cuba without realizing that U.S. authorities are on their trail. New legislation, the so-called "Torricelli" law, imposes severe sanctions on countries that violate the U.S. embargo.

Our sources in Washington say the United States plans to sue those Panamanian businessmen and companies that trade with Cuba. If violations of the U.S. embargo are confirmed, these businessmen run the risk of losing their visas to travel to the United States, as well as their privileges to conduct transactions in that country. U.S. officials are very concerned about evidence showing that Colombian drug traffickers are operating in Cuba.

There is strong evidence that the cartels are recycling drug money through investments and hotels in the "Pearl of the Antilles." Because it is possible that the second in command of the Cuban Government might be prosecuted on drug trafficking and money laundering charges, any Panamanian association with this crime would entail a risky situation.

The Miami Prosecutor's Office feels that Raul Castro and 14 other Cuban officials will be indicted some time near the end of 1993, which would greatly complicate the position of Guillermo Endara's democratic government if it is confirmed that Panama is being used as a bridge for illegal activities.

We recommend then that the national authorities monitor transactions with Cuba closer to avoid being caught in the middle of the bitter dispute between Uncle Sam and the bearded leader of the Caribbean.

Customs Director Warns of 'New, Smaller' Drug Cartel

PA2809153193 Panama City EL PANAMA AMERICA in Spanish 24 Sep 93 p 8c

[Article by Eduardo Soto P.]

[Text] Yesterday, National Customs Director Rodrigo Arosemena warned that local and foreign gangs, linked to the Cali and Medellin Cartels, are operating a large drug-trafficking network in Panama.

Cocaine recently seized by authorities could belong to the Cali Cartel, Arosemena said. He explained that due to the repression unleashed in Colombia against the Medellin Cartel a "new, smaller cartel" known as Cartegena has been organized.

This criminal organization has already become known in Panama's drug-trafficking world, where the gangs that are engaged in this business are leading the nation down the road to a "national disaster," according to the Customs' director.

Arosemena said the investigations regarding the 104-kg cargo (valued at $5 million) are being conducted by the Drug Secretariat under the Attorney General's Office, an institution backed up by Customs. Arosemena said the information obtained in this case "is very important and is being kept secret," because if some of the findings are disclosed "the trail" that could lead the authorities to the large drug-trafficking organizations might be lost. Nevertheless, it is assumed this seizure is linked to another one recently made in which a worldwide marine transportation company could be involved.

Arosemena, who has been taking depositions regarding the loss of $1.7 million of drug money to be laundered, said that the Drug Secretariat has most of the data on this matter.

Argentina

Menem: UK Opposition to Sale 'Will Be Overcome'

PY2909222893 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1816 GMT 29 Sep 93

[Text] Buenos Aires, 29 Sep (NA)—Today, President Carlos Menem asserted that Great Britain's opposition to the purchase of Skyhawk A-4M aircraft fitted with modern radars "will be overcome through negotiations," which are being carried out with the United States. Menem commented: "It is to be expected in the world of international politics."

The chief of state made this comment upon receiving the credentials of new UK Ambassador Peter Edward Hall during a ceremony held at the White Hall in Government House. Hall replaces Humphrey Maud, the first ambassador appointed by Great Britain after the resumption of diplomatic relations in 1991. Diplomatic relations had been suspended after the war over the Malvinas, in 1982.

Menem, during a news conference granted in the press room at Government House, said that the pressure being mounted by Great Britain to prevent the purchase of the Skyhawk A-4M aircraft from the United States "is to be expected in the world of international politics."

He noted: "We must not forget that Argentina has signed a fishing agreement with the EC, despite Great Britain's opposition, that will greatly benefit our country, especially the Patagonian region." Moreover, Menem said that Great Britain's opposition "will be overcome" through "the negotiations we are carrying out with the United States."

Alternative Offers Viewed

PY3009000993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2013 GMT 29 Sep 93

[Text] Buenos Aires, 29 Sep (NA)—Today, Defense Minister Oscar Camilion warned that Argentina may seek other international offers if the United States does not include the modern Westinghouse radar in the sale of Skyhawks A-4M aircraft due to strong opposition from the British.

In a new official offensive to obtain this modern radar equipment, Camilion disclosed that the Argentine Government has received "other offers" from third parties, and commented that "we will buy according to our possibilities." The government's offensive to acquire the aircraft fitted with Westinghouse radar grew stronger this week after Minister Camilion personally announced that he has a letter addressed to U.S. Ambassador James Cheek.

In the letter, it was explained today that its delivery has been "postponed," the government "insists" to Washington "about the technology requested" within the framework of the deal. Camilion made this statement to a Buenos Aires radio station shortly before President Carlos Menem voiced his conviction that the British opposition on the subject "will be overcome through the negotiations" his government is carrying out with the United States.

Camilion commented that the Westinghouse radar "is technology that by no means surpasses acceptable, defensive, conventional, and training weapons." He said: "Argentina constantly shows proof of supporting the new international order and no one can doubt its future military role."

Camilion said: "Every country has a right to sell the weapons it wishes," adding that "we have received other offers" from third countries, but he gave no further details."We will buy everything the international market has to offer according to our possibilities" said the minister, adding that "more than one country makes offers in this field."

He explained, however, that the government insists on closing the deal with the United States "for a practical reason," noting that in this case "the aircraft are U.S.-made." Camilion added: "Not long ago they would not even sell us the aircraft."

The minister admitted the Skyhawk aircraft, which date from the 1970's, "are not ideal" for the Air Force but noted that the acquisition of this aircraft "would (however) represent a step forward.' He mused: "Why should we only take one step forward when we can take two?"

Lastly, referring to the Falda del Carmen plant that housed the dismantled Condor-2 missile project, Camilion said that Argentina "is doing what is appropriate," although he admitted that "no one can doubt that the United States is particularly interested in the Falda del Carmen being dismantled."

Cuban Anti-Meningitis Vaccine 'Not Recommended'

PY3009000193 Buenos Aires LA PRENSA in Spanish 28 Sep 93 section 1 p 14

[Text] Health and Social Action Minister Alberto Mazza has said that international organizations, his ministry's technicians, and specialized Argentine institutions have stated that a massive vaccination using Cuban anti-meningitis vaccine "is not recommended." He also stressed that the matter "must be studied," although he added that "if the vaccine is shown to be reliable, then the strain must be studied."

The minister said: "If Argentine strains are susceptible, then this is a vaccine that controls the type B meningococus, and because there are very few cases this vaccine cannot under any circumstances be used, which is the decision already made by the Chilean Government."

Cavallo To Test Political Potential in Cordoba

PY2909154693 Buenos Aires LA PRENSA in Spanish 28 Sep 93 p 8

[Article by Fernando Romeo]

[Excerpts] The election [of deputies] in Cordoba Province has special characteristics because there is a great deal at stake. Governor Eduardo Angeloz puts his local leadership at stake again to continue in the race for the 1995 presidential elections with one element to be taken into account: the wear and tear created by 10 uninterrupted years in power. Also it remains to be seen how the unresolved Maders [murder] case will influence the electorate.

Another peculiar aspect of this election is the political participation of Economy Minister Domingo Cavallo through his former aide in the Industry Secretariat, Juan Schiaretti, as the first candidate for deputy after defeating in the primaries the undeniable leader of Peronism in Cordoba, Jose Manuel de la Sota, who is also a former deputy and former Argentine ambassador to Brazil.

Regarding Cavallo, there are several aspects that should be analyzed. The Radical Civic Union [UCR] will certainly win but if Schiaretti, that is Cavallo, is able to equal or surpass the percentages obtained by De La Sota in previous elections it would represent a solid support for the eventual political aspirations of the economy minister if the constitutional reform for the reelection of President Carlos Menem fails. Under that theory, Cavallo could say that in addition to being a technocrat, as he is currently known, he also has a base of political support.

Moreover, some people remember that Schiaretti, in addition to being a qualified economist, also has political qualities by recalling his activities in the 1970's in the so-called "trends" of Peronism. In sum, they say he is not an improvised politician.

Beyond the fact that the Angeloz supporters do not believe Schiaretti could take their votes away, for some analysts it is not like that because Cavallo's candidate can show economic achievements and have an influence on traditional moderate supporters of Governor Angeloz' economic policy which has some similarities with the program of the Economy Ministry. [passage omitted]

The Cordoba governor has avoided the internal struggle within the UCR in the province. A list of consensus was prepared with the minority sectors that respond to Raul Alfonsin and Federico Storani in accordance with each case or to the internal subline of Angeloz that supports Ramon Mestre, former Cordoba mayor who has a good chance of becoming governor in 1995.

The first place is taken by Jorge Neder (Angeloz supporter), current provincial senator. He is followed by Mario Negri, former vice governor, an Alfonsin supporter who is now linked to Federico Storani but with very good relations with Angeloz. Third is Margarita Sobrino (Angeloz supporter), provincial education minister. Next is Raul Treter Meyer (Ramon Mestre supporter) and fifth is Miguel Ortiz Pellegrini, an Alfonsin supporter who is seeking his reelection, and who actively participated in the political trial committee in the Chamber of Deputies. [passage omitted]

There are nine seats in dispute. Currently five of them belong to the UCR and four to the Justicialist Party. The electorate of 1,918,755 people will decide whether that relationship is maintained. Angeloz would like to get more seats or at least maintain the current ones to avoid being left out of the race in 1995.

According to a recent poll, the UCR was ahead by 12 points but the UCR leaders are skeptical of that figure. They believe the difference will be about six or seven points, which would be enough for them.

Regarding German Kammerath [Democratic Center Union candidate], the UCR and Justicialist leaders doubt he would get enough votes to get a seat in the Chamber of Deputies but they all agree that he is a candidate with a good public image.

Polls Predict PJ Victory

PY2909191793 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0216 GMT 29 Sep 93

[Text] Buenos Aires, 28 Sep (NA)—Several of the main Argentine polling companies agree on a clear victory at the national level by the Justicialist Party [PJ] in the elections scheduled for next Sunday, although there are differences in their figures.

Gallup predicts that the difference between the PJ and the UCR [Radical Civic Union] at national level will be 10 points, while in Buenos Aires Province, the PJ will lead by 13 points.

Hugo Haime, who heads another polling company, agrees with the percentages at national level, although declined to provide definite figures. During the television program "Tiempo Nuevo," Haime stressed the strong parity between the UCR and the PJ in the federal capital and the "technical tie" between the two parties in Cordoba.

Manuel Mora y Araujo found a difference of 10 points throughout the country in favor of the PJ, while in the capital this figure increased slightly to about 15 points for [PJ candidate] Alberto Pierri in Buenos Aires.

The PJ lead in Buenos Aires will be greater than 10 points; the UCR will probably reach between 28 and 29 percent, and Mora y Araujo added that the Modin [Movement for Independence and Dignity] is the third force with approximately 1 million votes.

Rosendo Fraga agreed with the other pollers over the 10-point lead favoring the PJ throughout the country. Fraga said: "In Buenos Aires and in Santa Fe, the PJ will have worse election results than in 1991, while the UCR will have its worst election results in the capital and in Cordoba."

He added that the PJ lead in Buenos Aires Province has been reduced "because of Pierri's image," while in the capital the same thing happened to the UCR "because of Martha Mercader's image. Had the candidate been [former Public Works Minister Rodolfo] Terragno, the result would be quite different."

Enrique Zuleta Puceiro stressed the "standing" of Erman Gonzalez among women and retirees, "which Avelino Porto has failed to achieve." Zuleta said: "The UCR is leading in the capital by four points over the PJ, and it is losing votes to the PJ more than to the Great Front, which is understandable." He added that the UCR "recovers votes where it has good candidates."

Brazil

Constitutional Revision Sparks Rows, Threats

PY2909201193 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 29 Sep 93

[Text] In a short while, the Brazilian Congress will vote on the bill proposing the revision of the Constitution begin on 6 October. This morning the main political parties were still trying to reach an agreement on the vote. Meanwhile, demonstrations for and against the constitutional revision have caused a lot of confusion.

[Begin recording] [Reporter Maryluce Villela from Brasilia] Union Force demonstrators arrived in front of the congressional building carrying various signs calling for constitutional revision.

[Union Force President Luiz Antonio de Medeiros] Brazil cannot wait any longer. There are 30 million hungry people, people who are unemployed, people who are earning low wages, and very bad education and health systems, which means the deputies must do their duty and revise the Constitution so that we can have some economic growth.

[Villela] Labor union leaders, who are against revising the Constitution, tried everything to convince the deputies and senators to vote against the revision. In the morning, rows broke out and some of the demonstrators were arrested by congressional security personnel.

The 1988 Constitution states that it should be revised five years after its promulgation, that is, beginning 6 October. Reaching an agreement in Congress, however, is proving difficult. The opposition parties have been promising to do everything they can to block this afternoon's session, during which the date for the revision is supposed to be set.

Brazilian Social Democracy Party, PSDB, congressmen have also been unable to reach an agreement. This morning, PSDB congressmen met again at the residence of Deputy Jose Serra, PSDB bloc leader in the Chamber of Deputies, to decide which way the the bloc will vote.

At about noon today, the Brazilian Democratic Movement Party, PMDB, the nation's largest party, had not established a position yet and held another meeting at Congress. The PMDB president, however, felt that the party would vote for the revision.

[PMDB President Luiz Henrique] The tendency appears to be in favor of revising the Constitution right now. I believe that if it were up to the PMDB, the Constitution would be revised. [end recording]

We now have a live relay from Brasilia by our reporter Maryluce Villela:

[Begin live relay] PMDB senators have decided to vote for the revision beginning 6 October. The deputies have not yet reached an agreement. They are still meeting in Congress. The PSDB has not made up its mind either, but according to Deputy Jackson Pereira, who participated in the first part of the meeting, the party is leaning in favor of amending rather than revising the Constitution to make changes in fiscal, tax, and social security policies. The atmosphere in Congress is still tense. According to security personnel, six people have been arrested, and two deputies had a fight a while ago.

The president of the Chamber of Deputies has asked for 1,000 militarized policemen and decided that only duly accredited people can enter the congressional premises. The Chamber of Deputies session to set the date for beginning the constitutional revision will begin at 1530 local time this afternoon, and nobody will be allowed into the galleries, to avoid rows. [end relay]

As this cast ends, we have another live relay from Maryluce Villela in Brasilia:

[Begin live relay] Right at this moment the president of the Chamber of Deputies is talking to the congressmen about an incident that took place this morning. He is explaining why he has decided to ask for militarized police reinforcements from the Federal District. He said that he decided to take this step because demonstrators, who oppose constitutional revision, were threatening the deputies, setting up a gauntlet at the entrance into the building and even physically threatening the deputies. Deputy Elisio Curvo reported that he was attacked by the demonstrators. [end relay]

Navy Minister Supports Revision

PY3009000493 Rio de Janeiro O GLOBO in Portuguese 28 Sep 93 p 3

[Text] On 27 September in Rio de Janerio, Navy Minister Ivan Serpa said that the lack of definition regarding a revision of the Constitution is creating an atmosphere of uncertainty and this is not good for Brazil. During a

news conference he granted after giving an address at the Superior War School, the minister recalled that the decision on a revision lies entirely with the political parties.

"The political parties have the right to postpone the revision. Therefore, as a citizen I believe that the country needs decisions, not problems. This matter must be resolved," Serpa said.

The minister believes that a revision is necessary because the world has changed during the past five years, and the Brazilian Constitution must accompany those changes. He stated that any document, including the constitution of a country, can and must be improved.

"The national state of affairs has changed a lot during the past few years, and the modification of several passages of the Constitution would be advantageous for the country," stressed the minister, who hopes for an increased Navy budget in 1994.

Rioters Seek Postponement

PY3009033393 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 29 Sep 93

[Text] Tumult marked this afternoon's session at Congress, where the bill establishing that the Constitution must start being reviewed on 6 October had to be voted on. Demonstrators opposing this review formed a gauntlet, threatened to attack the congressmen, and forced the Chamber of Deputies security agents to drag them out of Congress by force.

Access to the room where the plenum session was to take place had been barred, and the demonstrators refused to watch the voting on the huge screen placed in a nearby auditorium for this purpose. They, therefore, began to protest. The Chamber security agents received orders to take the demonstrators outside and a huge riot ensued when the demonstrators were being taken outside.

As a result of the riots at the national Congress, five deputies were injured and several demonstrators arrested. The riots occurred before the vote started on the constitutional reform bill.

Students marched along Congress Square, labor union leaders concentrated in front of Congress, and there have been demonstrations in favor and against the constitutional reform. Businessmen were discreet, but those who wanted to prevent the terms of the Constitution from being complied with preferred to act as shock troops to confront the 584 congressmen, who represent millions of voters. The congressmen were cursed and attacked.

[Begin recording] [Deputy Elisio Curvo, no party affiliation, Minas Gerais State] I received a blow here, you can see perfectly well that it is still swollen, two blows on the back, and I was also kicked.

[Chico Vigilante, Workers Party, PT, Federal District] I cannot accept that a group of people can come inside Congress to attack the congressmen. If they are not satisfied with the congressmen, they must show that at the ballot box. There will be elections in 1994. Those who do not agree with the congressmen's position must vote against them.

[Deputy Delfim Netto, Progressive Renewal Party, PPR, Sao Paulo State] These are fascist methods. This is how Mussolini and Hitler used to frighten their legislators.

[Reporter Delia Ortiz] Meanwhile, the parties sought to reach an agreement. The party blocs in the Chamber and the Senate held meetings wherever they could to avoid confrontation at the plenum session. This, however, could not be done with the demonstrators. There were no more arguments to be used with them. They had to be dragged outside Congress.

The upshot of the riot was that at least five deputies were attacked. Demonstrators even hit Carlos Santana, of the Rio de Janeiro PT, and slapped him on the face. Five demonstrators were arrested: one outside the building, and four inside.

The decisive image of today's session, however, was the following: The PPR, the Brazilian Democratic Movement Party, and the Liberal Front Party, PFL, have united. They did not reach the accord they were seeking, but agreed to approve the bill with the amendments that comply with Brazilian Social Democracy Party, PSDB, demands.

[PSDB leader Deputy Jose Serra] At the plenum session, we will do our best to have our proposals, which allow for a better review, respected. We are seeking an agreement particularly on the date to end the review and on what to do.

[PFL leader Deputy Luis Eduardo Magalhaes] I believe we will be able to quickly review the Constitution by discussing the main problems, including those in the economic area, and seeking an agreement on merit. I believe this will mean a great deal to Brazilian society and to the international community as well. [end recording]

Congress Approves Review

PY3009034893 Rio de Janeiro Rede Globo Television in Portuguese 0220 GMT 30 Sep 93

[Text] Congress has decided to begin reviewing the Constitution as of next Thursday, 6 October. The decision was reached a few minutes ago, after a lot of negotiations, and especially after a general free-for-all in Brasilia.

Army Bars U.S. Soldiers From Search Operations

PY3009005693 Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 Sep 93 p 10

[Article by Americo Martins]

[Text] Yesterday Brazilian soldiers, in Venezuelan territory, rescued 17 Venezuelan National Guard soldiers, who had lost their way in the Amazon jungle 11 days ago. The Venezuelan soldiers were spotted on the Brazilian border, near the source of the Orinoco River, by members of the FAB (Brazilian Air Force) and the Army's 4th Special Border Squad.

If the soldiers had not been found by tomorrow, U.S. soldiers would have joined the search, in Venezuelan territory. The U.S. soldiers had offered to patrol the area in the search for the National Guard soldiers. They wanted to use the Surucucus military base (inside the Ianomami Indian reserve, in Roraima) as the base for their troops.

The Army did not authorize U.S. soldiers to enter Brazilian territory. The Venezuelan Government had accepted the offer, and was going to allow U.S. soldiers to participate in the search in its territory. The U.S. soldiers were going to use modern equipment, such as heat detectors and helicopters capable of finding people in the dark.

The Brazilian military feared that the U.S. troops would take advantage of the situation to carry out a reconnaissance operation in that region of Brazil. The troops would have been brought from U.S. military bases in other Latin American countries, and would have started the dragnet operation in Surucucus, which would serve as the communications base and fuel storage depot.

During the search the Brazilian soldiers saw Ianomami Indians dressed in National Guard uniforms in a village in Venezuela. The soldiers were unable to land their helicopter at the site to investigate the case, but believe that this is proof that the Venezuelans arm the Indians to expel the gold diggers and help protect their territory. During the recent massacre of Ianomami indians, the leader of the gold diggers Jose Altino Machado had already reported the "militarization" of the Ianomamis.

The Venezuelan soldiers got lost while trying to expel Brazilian gold diggers. The landing strips Constituente and Saddam Husayn (in Venezuela) and Raimundo Nene and Catrimani 2 (in Brazil) are located in this area. The gold digger leaders do not believe the Brazilian gold diggers occupy this area any longer. They might have left the area due to the investigations into the recent massacre of the Ianomami Indians.

The first Venezuelan patrol consisted of 12 soldiers. The other five were sent to the region to find the first group, and also lost their way. They were all taken yesterday to the Constituente landing strip by one of the two Brazilian helicopters involved in the search operation and by another three Venezuelan aircraft.

Finance Minister Cardoso: Need To Fight Inflation

PY2909230793 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Sep 93 p B3

[Article by correspondent Paulo Sotero]

[Text] Washington—Yesterday, Finance Minister Fernando Henrique Cardoso said that Brazilian society is sick of inflation, that it is "pleading for stabilization," and that this plea must be turned into political pressure to force Congress to approve the necessary fiscal measures to restore credibility in the public sector.

Today, Cardoso will meet U.S. Vice President Albert Gore. The purpose of this meeting is to stress the Clinton administration's interest in the success of the economic stabilization program, with which President Franco's government will fight inflation.

IMF Managing Director Michel Camdessus has reiterated his determination to negotiate a true stabilization program with Brazil. Camdessus said: "Without any doubt, I can assert that I feel a more favorable breeze blowing through the Brazil-IMF relationship."

Camdessus asserted that although there "is still a lot of work to be done," he believes there is a good chance of quickly reaching an agreement over a program that will be "strong enough to tackle the issues that still hinder the resumption of negotiations." Referring to the visit he has agreed to make to Brazil in response to an invitation by the finance minister, Camdessus explained: "If I go, it will not be to start negotiations and probably not to end them," but rather to consolidate agreements when they are at an advanced stage." [quotation marks as published]

Cardoso met yesterday with Citibank Vice President William R. Rhodes, who is the supervisor of the committee of creditor banks. Rhodes stated that, eager for an agreement with Brazil, the creditor banks will start signing the renegotiation contract as soon as the Brazilian Senate approves the new distribution of assets among creditors and the amount to be spent in guarantees ($2.8 million).

"The time to confront the situation has come," said Cardoso to a group of businessmen, mostly Brazilians, at the Omni Hotel for a seminar organized by the Brazilian-U.S. Chamber of Commerce of New York. "It is time for action and if we do not act the consequences will be disasterous and we will have wasted another couple of years in getting our economy to recover."

The need to awaken the country's political will to launch a definite attack against inflation was the common denominator of the various speeches made by Brazilian and U.S. intellectuals, businessmen, and politicians. Curiously enough, it was PT [Workers Party] Deputy Aloizio Mercadante who noted the skepticism with which Minister Cardoso's appeal was received by many

of those listening. The U.S. Government and the international financial organizations currently show similar skepticism.

Mercadante, who addressed the seminar after Cardoso, said the current economic team has accurately identified the current problems, has adopted several appropriate preliminary measures, and has the capacity to launch an "all-out and brave battle against inflation."

He said: "The government must play its role as a government: It must submit concrete proposals to Congress and start the debate." This is exactly what Cardoso said he would do when he returns to Brazil.

Army Commander on Amazon Exercises, Public Order

PY2909203693 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 29 Sep 93

[Text] This morning, General Geiser Ferrari, Army land forces commander, confirmed that the Army has plans to carry out drug enforcement operations in the Rio de Janeiros shantytowns. He said this in an interview during which he reported on Operation Surumu, a military exercise which is to take place in the Amazon region in early October.

[Begin recording] [Reporter Luciane Bacellar from Brasilia] The Brazilian Armed Forces will carry out Operation Surumu in the Amazon region between 4 and 10 October. Approximately one month ago the Army began to take arms and ammunition to the theater of operations. The maneuvers will involve 5,000 Army, Navy, and Air Force personnel.

Operation Surumu will take place in the states of Roraima and Amazonas. The theater of operations includes the reservation the Ianomami tribe reservation, near the Venezuelan border, where problems with gold prospectors frequently occur. The Armed Forces will carry out its maneuvers in a scenario of war against an enemy threatening the nation's sovereignty.

Today, the Army land forces commander said the Armed Forces have contingency plans for action anywhere in the country in order to preserve public order, including Rio de Janeiro.

[Geiser] It has nothing to do with yesterday's events, but the Army already has contingency plans, within the framework of its constitutional duties, to preserve public order whenever state governments are overwhelmed, and the appropriate request for federal intervention is sent to the executive, legislative, and judicial branches and approved by the president of the nation. [end recording]

Foreign Minister Celso Amorim Addresses UNGA

PY2909183693 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Sep 93 p A8

[Text] New York—Yesterday, Brazilian Foreign Minister Celso Amorim opened the 48th UN General Assembly [UNGA] with a speech in which he criticized interventionist policies and defended a solidarist effort to promote development. He said: "Brazil totally defends the principles of national sovereignty in the face of any attempt to reduce its importance."

He mentioned the massacres of children outside the Candelaria church and that of Ianomami Indians under the scope of development and sovereignty. Amorim asserted that Brazilian President Itamar Franco is seeking to solve these human rights issues "by attacking the economic and social roots." He admitted that it is also necessary to deal with the immediate aspects of the problem "which cannot wait until development is consolidated and all parties attain a situation of wellbeing."

During the opening speech of the three weeks of UNGA sessions, which is traditionally made by the Brazilian representative, Amorim stressed "the increasing effectiveness of the measures adopted by the Brazilian Government in the Amazon region, based on the total and unbendable exercise of its sovereignty." He said these actions seek to protect the local inhabitants, especially the Indian territories and the environment.

Amorim said: "Under the pretense of humanitarian interest, new concepts are concealed, such as a good administration and the right to intervene, as well as old practices like eco-protectionism to justify discriminatory practices." The foreign minister added that interventionism by developed countries could recreate the Cold War conflict, but with a "north-south orientation."

Amorim suggested that UN Secretary General Butrus Butrus-Ghali should prepare an agenda for development as solid as the one he made for peace. The Brazilian foreign minister considers it imperative for "the international community to encourage solidarist conditions for progress and not attempt to preserve privileges."

Amorim said: "We must admit that these objectives will only be reached through economically sustained social and ecologic development." The Foreign minister said that Brazil has great faith in the committee for sustained development which must "be an efficient instrument" to implement the commitments of the Rio-92 [UN Conference on Environment and Development].

Sivam System Open to Foreign Competition

PY3009021793 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Sep 93 p A8

[Article by Tania Monteiro]

[Text] Brasilia—Those foreign enterprises that wish to participate in the installation of the Amazon Region Surveillance System (Sivam) will have to finance the entire project, which includes 14 radars and other equipment estimated at approximately $600 million (approximately 74.5 billion real cruzeiros at today's commercial exchange rate). Moreover, the Brazilian Government will demand that 30 percent of the total value be used to purchase Brazilian input, such as electricity generators, telephone centrals, and communications and radio equipment.

Last week, the Foreign Ministry submitted to its embassies in countries renowned for manufacturing this type of equipment documents, accompanied by forms, with which the interested companies could submit their offers. The embassies have 30 days, from 5 October until 5 November, to clarify any doubts regarding the financing terms or details of the required equipment with the Aeronautics Ministry.

Aeronautics Minister Lelio Viana Lobo said: "It is a selective process, in which there will be no discrimination." He believes that the Aeronautics Ministry will choose the enterprise that offers the best terms for the installation of the Sivam. He commented that "there is no need for the equipment to be French, as was published."

According to the same source, the communications and radar systems that already exist in Brazil may be connected to other systems without any problem. Therefore, he asserted, the choice may be U.S., Italian, Russian, British, or even French equipment "if they offer the best purchasing and installation terms." The Aeronautics Minister hopes to receive at least 15 proposals from foreign enterprises.

The selection process will end in July 1994. By January, the foreign enterprises must submit their commecial and technical proposals, which will be assessed during the following four months. The Sivam will have, on a whole, 17 radars to control air traffic in the region. The system will link Brasilia with the three subcenters of the Amazon region, located in Belem, Manaus, and Porto Velho. Other subcenters may be created in the future. According to the Aeronautics Ministry program, the system will be fully installed within five to seven years, depending namely on the program for the disbursement of resources.

Aeronautics Privatization Possible by Year End

PY3009025993 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 29 Sep 93

[Report by Cristina Indio do Brasil]

[Text] A deposition from Andrea Franco Montoro Filho, Privatization Program Managing Commission chairman, at the Privatization CPI [Congressional Investigating Committee], which was scheduled for today, has been postponed until 19 October. The commission's chairman even went to the Privatization CPI room, but was advised by the CPI sponsor Amir Lando that the deposition had to be postponed because the committee's congressmen were voting on a resolution proposing the beginning of the constitutional review for 6 October.

Andrea Franco Montoro Filho said that studies on the privatization of Embraer [Brazilian Aeronautics Company], which might be auctioned by the end of the year, or at the very latest, early next year, will already be completed within three weeks.

Franco Montoro Filho added that the problems that delayed the Cosipa [Sao Paulo Iron and Steel Company] auction, involving debt discussions, and the Acominas [Minas Gerais Steel Company] auction, involving discrepancies in the reports on minimum prices, will not occur during the sale of shares that Petroquisa [Petrobras (Brazilian Petroleum Corporation) Chemical Corporation] has in Petroquimica [Petrobras Chemical Company] Uniao, a sale that has been agreed upon for 19 November.

Franco Montoro Filho also explained that representatives of the Administrative Council for Economic Defense and the Economic Rights Secretariat are also participating in the Privatization Program Managing Commission, in order to prevent the formation of monopolies after the sale of public enterprises.

Chile

Aylwin Promulgates 'Historic' Indigenous Law

PY2909133293 Santiago Radio Cooperativa Network in Spanish 2300 GMT 28 Sep 93

[Relay from Ninth Region by Manola Robles]

[Text] Today in Nueva Imperial, President Patricio Aylwin promulgated a historic law that recognizes the indigenous, their culture, and their communities.

According to the law, the state recognizes the Mapuche, Aymara, Rapa Nui, Quechuas, Collas, Alacalufes, and Yagan as the main indigenous communities and establishes that it is the state's duty to respect and promote their culture, families, and communities by adopting the appropriate measures.

The express and intentional discrimination against the indigenous, because of their origin and culture, is regarded as a crime. The law also promotes the preservation of the land of the indigenous, that is, the land occupied as proprietors or possessor by those who own title deeds dated back to 1823 and thereafter.

As for transitory articles of the law referring to the division of Indian reserves, the awarding of land, and the dissolution of de facto communities established by virtue of a law dated in 1972 pending at the date of the publication of this law which is promulgated today, it is established that the National Indigenous Corporation [Corporacion Nacional Indigena], which is also created,

will assume the functions, authority, and duties the Agricultural and Livestock Development Institute [Instituto de Desarrollo Agropecuario] had.

The de facto communities that do not wish to survive the division, regularization, and land awarding process may thus request it to the appropriate judge as established by the law. The same procedure will be applied in favor of the indigenous belonging to those communities, which are in fact undividable, established through the granting of titles to reservation land.

In any case in which the mentioned deadline has expired, the interested parties will be granted a new one-year deadline, starting on the date of the publication of this law, to exercise their rights as established in the text of this law. The pertinent law in this regard will continue in force.

The Corporation, together with the National Resources Ministry, will have the next three years, following the publication of this law, to draw up a plan to regularize the title deeds for the Aymara and Atacameno Indian reserves in the First ad Second Region.

Moreover, the Corporation and the Waters Directorate General [Direccion General de Aguas] will draft an agreement for the preservation, establishment, and restoration of the water rights, which are an ancestral property of the Aymara and Atacameno communities.

These transitory articles also authorize the national director of the Agricultural and Livestock Development Institute to pardon the pending debts that are more than three years old and the adjustments and interests resulting from these debts which the indigenous may have with this Institute at the time this law is published.

Moreover, it is also established that the labor unions and community organizations currently in force and which exclusively comprise indigenous may become associations, after adapting their statutes to this law and depositing them with the corporation.

Colombia

Report Details Cali Cartel Valle Expansion

PA2909192093 Santa Fe de Bogota EL TIEMPO in Spanish 23 Sep 93 p 10a

[Report by EL TIEMPO editor Miller Rubio]

[Text] According to the last official investigation into the Cali Cartel's authentic financial clout, during the past year this group's financial influence in the Valle Department capital city of Cali totaled 40 commercial centers, a paper factory, two brokerage firms, 24 banking account, two real estate companies, and 11 investment companies.

Even more than what the Judicial Police and Investigations Directorate [DIJIN] was able to establish during Operation Belalcazar III, however, what really caught the investigators' attention was the manner in which the cartel's financial agents were able to cover their operations in order to prevent being identified by authorities.

The operation, which established the cartel's economic influence, ended this past Saturday [18 September] with the arrest of Diego Martin Buitrago, considered one of the principal contacts of the Rodriguez Orejuela in Cali. His arrest allowed DIJIN investigators to establish the existence of a network that has been operating for the past four years involved in cocaine trafficking and currency laundering from Miami (United States).

According to police sources, Marin was in charge of coordinating, along with the Miami based M'Cargo Company, the import of household electrical goods with drug-trafficking money concealed inside. M'Cargo is being investigated by U.S. authorities. Marin, known within cartel circles as 'Muneco,' would supply information on the household electrical goods shipped from Miami to a man named Arias, who maintained direct contact with the Rodriguez Orejuala brothers.

The household electrical goods were transported from different countries bordering Colombia to a clandestine airstrip located in Cartago, north of Valle, where they were then shipped to the United States. The household goods were then shipped back to Colombia loaded with cocaine funds.

During an operation that occurred this past month of June, 4,000 kgs of cartel cocaine, ready to be shipped to Pereira, were located at the Almagrario warehouses, located in the outskirts of Cali.

In addition, the authorities are investigating Marin for his alleged contacts with cartel traffickers imprisoned in a Bogota prison, under the jurisdiction of the prosecutor general. According to preliminary DIJIN investigations, the contacts normally would take place during prison visiting hours and were aimed at collecting outstanding debt from the arrested drug traffickers.

Encrypted Files

Marin was arrested on 18 September by undercover DIJIN agents in office No. 324 of a building located on Fifth Avenue, #23B-68, Cali, and is being held at the Villahermosa Prison. Julio Cesar Aristizabal was also arrested during the joint operation by DIJIN and the office of the prosecutor general. At the time of his arrest, he was carrying a document detailing operations to transport drugs with the cooperation of insurgent groups.

According to the investigations, Aristizabal supervised a group of trucks that was used to transport drug related substances [sicoactivas].

With these captures, which the police unhesitatingly described as extremely important, last weekend's raids helped determine that the Cartel had experienced an unprecedented financial expansion.

The investigators say that a large number of Cali real estate companies are directly controlled by drug-trafficking organizations' agents, who use them for real estate transactions and money laundering. The finding of a sports club inventory in Cali also revealed the control that certain Valle drug traffickers keep on this type of commercial enterprise.

According to a report on the DIJIN's operations balance, the clandestine money of the drug-trafficking organizations has also been invested in an import concern, pulping companies, drug stores, craftsmanship stores, grocery stores, and even a children's clothing store. According to DIJIN's investigations on the financial structure of these organizations, the laundered money has ended up in at least four agriculture and industrial corporations.

The investigators conclude that the financial operations of these cover enterprises use a technique known as encoding, which makes it possible to conceal in data bases information on the fraudulent movement of money. In addition, DIJIN found out that those in charge of keeping the records of the operations use two diskettes, one which keeps track of the movement of money in parallel with that of these corporations.

The Contacts

During the raids, the authorities discovered an extensive list of contact telephone numbers, which the cartel and the other Valle organizations keep in the United States, Peru, Panama, the Netherlands, Bahamas, Venezuela, Spain, and Puerto Rico.

In the United States alone, where the groups control the drug markets, they are in communication with several cities through 18 lines. In Puerto Rico, regarded as a stepping stone for the cocaine that the bands send to the United States, security organizations discovered the existence of eight telephone numbers, which are being investigated by the DEA.

In relation to these contacts, DIJIN is investigating 80 people in Cali, allegedly linked to the money and cocaine-transporting networks. Authorities are tracking four commercial pilots and six light planes used by the Valle criminal organizations. Some of those people are relatives of men regarded as leaders of the drug cartels that operate in this department and who work in the companies under investigation.

DIJIN says it is difficult to identify the key men in these groups, because sometimes the telephone numbers under scrutiny do not agree with the addresses of the houses where they are supposed to be hidden. The drug traffickers have their telephone numbers changed through the complicity of government officials. The lines are generally installed in other houses in the Valle Department capital, thus serving to conceal the criminals.

For the time being, the investigators believe they have taken the first step in an unprecedented offensive against the organizations that control the drug traffic and money laundering in this region of the country.

* Attorney, Senator, Sociologist View Police Reforms

93SM0417A Santa Fe de Bogota EL TIEMPO in Spanish 15 Aug 93 p 17A

[Police reformers answer questions formulated by EL TIEMPO legal staff]

[Text] Demilitarization, corruption, qualifications, and a budding concept of civil and citizen rather than state security are all on the agenda. An attorney, a senator, and a sociologist explain why. The questions put to them: 1—In your opinion, which aspects form the backbone of the reform? 2—What is the nature of the police force to be reformed? 3—The Prosecutor General's Office and the Attorney General's Office demanded radical reform and even wanted to reorganize the existing structure of the institution. Is this reform not excessively timid, even exclusively cosmetic? 4—How can we guarantee the effectiveness of citizen supervision and a real change of attitude in the ordinary or lower-ranking police officer and officials inclined to be on the take?

We Have the Police Force We Deserve

[Guillermo Villa, attorney for the Judicial Police, answers the above questions.]

1—The existence of the new official, the Civil Commissioner, is the real backbone of this process. The success of his administration will in turn determine the success and future of the reform. The first commissioner will be the most important of all successive commissioners because he will face the problem of police disobedience, the cop inclined to flout orders, regulations, and the law.

A second aspect is progress toward recovering the civilian status of the police at the expense of the eminently military status that has prevailed for some years now in the institution.

Third, there is progress on restoring the human quality of the police force. One of the great evils is the inadequate academic and personal background of many officers, who come from a low socioeconomic and cultural background.

The other main point is raising wages because, along with better training, this will obviously result in a better quality of life for the officer and his family.

2—The kind our country has given us! We have the police force that we deserve. One observes two great gaps: one between the will of the police command and what subordinate police officers actually do; the other between the police institution and civil society which, I shall never tire of repeating, is due [to] the police.

We have a police command with excellent intentions, but the police force fails to respect civil rights. We have not understood that people cannot be mistreated, that the criminal also has rights that must be respected. I am referring to the whole compendium of guarantees contained in Article 29 of the Constitution: the right to due process.

The most serious thing is: Which of those two factions is dealing with our civilian population? A large sector of the police force engages in illicit acts, in kidnappings and extortion. That is the experience of UNASE [Anti-Extortion and Kidnapping Unit] in Medellin, which was set up for anything but kidnappings! In three cases, the Attorney General's Office has charges against the UNASE group in Medellin.

We have a police force highly inclined to abuse force in order to liquidate the presumed criminal. In cities such as Pereira, Bucaramanga, and Aguachica, National Police personnel have been involved in cleanup operations.

We have found police officers involved in stealing cars in many cities, and we have legal proceedings providing us with grounds for such statements.

You might say, "But that is just a minority of the members of the institution," which is true. But it is the behavior of that minority which clouds the image and role of the institution. The police cannot afford the luxury of 99 good operations and one bad one. It has a duty to carry out 100 out of 100 properly.

What can the ordinary citizen expect from the police? He cannot be expected to distinguish the good police officer from the bad; for the citizens, there is but one institution. That distinction is the responsibility of the police command and the organizations in charge of internal affairs.

Nor is it the business of the Attorney General's Office. In most cases, complaints are thrown out because they have no grounds whatsoever. Now then, if the Attorney General's Office is to impose a sanction, that is its constitutional, legal function. It is not the Attorney General's Office that violates the law and consequently, it cannot be accused of obstructing the function or activity of any agency.

3—I do not see it that way. This is a very important step. What is of far-reaching importance is not whether we call an officer "general" or "colonel," but rather, the civil attitude that is respectful of rights which that officer has toward his institution and his people.

We tried to accomplish a great deal, but what we have achieved is substantial and very good. On paper you can see a number of favorable conditions, a set of circumstances that I think will encourage change. We shall have to see how the reform operates in practice and have great hope and faith that the commissioner succeeds because, if he fails, the reform will fail and the crisis ahead will be far more serious and profound than the one we are facing today.

4—We must require better academic training of candidates for the police and radically reform our approach so that we finally have courses devoted to human rights, people's rights, and constitutional law. We must require greater emphasis on a civic education that will bring the police closer to the citizens and make the individual officer understand what he owes to his fellow citizens.

As for the rest, the commissioner, as a prosecutor-overseer and head of internal discipline of the police, has a duty to guarantee enforcement of the law and a change in the police institution.

We must start by asking the real questions. Passage of this statute is no guarantee; it is but a beginning. We must provide more funding so that the police will be efficient. Without adequate logistical support, the police cannot do their work. It is not so much a problem of one police officer for every citizen, but rather, of a few well-organized, well-equipped men able to communicate with one another in order to arrive in time.

Commissioner Cannot Come From the 'Kinder'

[Senator Fabio Valencia, participant in the reform, answers the above questions.]

1—The law interprets the constitution, which defines the police as an armed organization with civilian status. That is a first step. The police are different from the Armed Forces, which are military. The police must fulfill a duty to and for the citizen.

The ideal would have been to have a purely civilian organization. However, I believe we have taken an initial step in clarifying the status.

The police were under the minister of defense in terms of function, but enjoyed great freedom of action in terms of operations. The law fills that gap and even outlines the political responsibility of the president and minister of defense for police action. The "top cop" in Colombia today is Cesar Gaviria.

We therefore have much clearer political control by the Congress, which will even be able to summon the president or minister of defense at any time in connection with any police function, operation, or something outside the framework of the law, morals, or the constitution.

In addition, there is the matter of internal organization. We still have a uniformed director, but an extremely high-ranking official will now exist parallel to him: the commissioner, who will not merely have an operational function, but will also be a citizen-supervisor with full authority and autonomy on disciplinary and criminal matters.

This official will not be equivalent to the figure of inspector, but must have the same qualifications as a Supreme Court justice. Above all, he comes directly under the president and is appointed by him.

In addition, the police will be professionalized and specialized, first of all, because the functions will be divided into three basic branches: an urban police force, which has a purely civilian status and whose training must be in the civil field (human rights, social function, and so on); a rural police which I would define as the same as the urban, but with somewhat more military training because of the rural conditions of our country; and the special police.

The police will have some armed corps that have received military and technical training enabling them to work on kidnappings, in the fight against guerrillas, riot control, and so on. These units will not be in the streets, but will be coordinated by the prosecutor general. That is another major step forward.

Another aspect consists in having the reform attack a crisis that we have underestimated: the dignity of the police, who receive poverty-level wages, inadequate training, deficient health care, and substandard housing.

We are now creating a public establishment that will dedicate itself solely to ensuring the social well-being and social security of the police.

In the field of education, regardless of the officer's qualifications, the idea is that a police officer's children should have the same privileges as a teacher's children, being admitted to any public institution free of charge.

Finally, the law provides that recruiting be local and that, insofar as possible, the police officer should stay in his region because we have created cases of major trauma as a result of family instability.

2—I think the police force we have is part of the crisis in the country and reflects the decline of institutions. For me, a policeman who takes money is just as bad a citizen as the citizen who offers it. I think the reform outlines explicitly—not implicitly—the urgent need for a different kind of conduct on the part of the citizen vis-a-vis the institution. The police force we have is not what Colombians want. We live in a state of law and cannot be lenient toward police action, any more than we are toward that of the ordinary citizen.

3—I would begin by saying that the reform that emerged is not the one I proposed: creation of the Administrative Department of the National Police, directly under the president and as a purely civilian organization.

Nevertheless, when one sits down with all sectors of society to analyze how to view the problem of an institution that affects all of us daily, then we must, through this dialogue, arrive at a consensus. Those of us who believed that we had to take a radical step—and I still believe we must—are compromising, reconciling.

Now then, this law opens the way and creates very great expectations, but it must be understood that the very fact that the government called a commission of citizens to reform the police is a big step.

This law has two facets: One is a set of precise articles that develop certain aspects of the reform; the other includes special powers that will complement the reform. The corresponding orders have still not been issued; it will be a six-month process. It is this process that we must continue to watch most carefully.

4—We have citizen control. A series of mechanisms of participation was set up which, even if they require special education enabling the citizen to understand the importance of participating in police action and overseeing that action, will break the cycle that we now have of a confrontation between civil society and the police institution.

Finally, the point on which I think there must be absolute clarity is that the commissioner is the very axis of the reform and that the government must be extremely careful in selecting him. They cannot just take someone from the "kinder" [President Gaviria's young advisers] and then suddenly have him graduate as the commissioner!

We Have Begun To Demilitarize the Police

[Alvaro Camacho, sociologist and participant in the reform, answers the above questions.]

1—I should like to call attention to one essential aspect: the problem of the demilitarization of the police, which was one of the commission's efforts.

In my opinion, the militarization of the police stems from a fact: As a military institution, it has systematically given priority to protecting institutions and the government rather than the citizenry. In that sense, the police have been militarized in their operational logic. There was a very large grey zone between national defense and citizen security.

In demilitarizing the police, we sought to give the institution a more civil-tending orientation. This was partly achieved by setting up the National Council on Citizen Security and the Police, which is a new institution since the government's police policy was the responsibility of the National Security Council, which is fundamentally military.

2—We have negligent, incompetent, corrupt police, etc., but we also have police who are barbaric, as in the case of Santa Maria del Lago, a case prosecuted by the Attorney General's Office. At the time, a phrase was heard on the news; the Bogota Chief of Police said something to this effect: "If a thug hides behind the civilian population and attacks the police, and if the police respond and in so doing kill civilians, the thug is responsible." That was the logic followed. In other words, we must think about a profoundly new and strict

book of procedures. We must have an in-depth revision of the logic of police operations.

Now then, one must obviously not be excessively naive and believe that one law will reform the police. There are government policies containing certain gaps that have a direct effect on police action: the absence of a modern criminal policy, the monopoly over and promotion of alcoholism, prostitution, and so on. The police are the recipient of that lack of security policy which hinders the work of the honest cop.

In addition, there are certain policies that have produced ad-hoc criminals. Because of these security statutes, a kid from the ghetto has been viewed as a potential criminal and all government agencies treat him as if he were one.

If in Medellin and Ciudad Bolivar there are young people, it is a continuing and terrible tragedy. It is an enormous failing of government policy.

Along with the police reform, we will have to discuss reforms in situations where there is no security. It says a great deal about the lack of security when a country has 30,000 murders and no one is indicted. Prevention is not solely the task of the police; everything does not depend on them.

3—We must say it loudly and clearly: The government oversight agencies made one point very emphatically when the commission began its work: Take the police out of the Ministry of Defense, remove its military status, establish a new code, a series of reforms that practically implied disarming the police. And there was a bill. This was a very strong point of the reform and it roused reactions, very strong opposition. We gradually moved toward a more moderate position, but I am not sorry that we did not adopt all the views of the Prosecutor General's Office. I do not think it would have been possible to adopt the proposal of the government oversight agencies.

This commission was what is now called "civil society." That civil society is made up of guilds representing finance, property, citizens who are cowards, citizens with a militaristic way of thinking, bureaucrats, and so on, all kinds of people, and in a way, the commission represented that. If you want reform, you first have to get a consensus in order to make it function. Doing so implies making concessions.

4—The logic of the police operation must be thoroughly revised. It may very well be that this is but the first phase and that we must have another one in order to go further. However, in an initial reform imposed from the outside, you cannot take an institution and just eliminate it. We are working with a very strong armed institution and making a first approach to the issue of its reform.

I am not sorry we did not achieve what some citizens viewed as the ideal. If we had satisfied all the citizens at once, we would suddenly have retained a worse police force.

I believe we set a fundamental precedent. I think it takes enormous civil courage on the part of a government to summon an outside commission to achieve the reform. I think it is a courageous democratic act. Will people conclude that this was a reform of the police or, instead, that what we did was to establish the precedent that the police can be reformed by civilians? If this second interpretation is the correct one, then I believe we have taken a step of enormous importance because it means that politics is not the only institution that can be reformed by civilians.

* Country's Economic Competitiveness Studied

93SM0423A Santa Fe de Bogota SEMANA in Spanish 31 Aug 93 pp 28-33

[Article: "Will We Be Able To Compete?"]

[Text] *The first study of Colombian industry's ability to compete concludes that there are many obstacles and shortcomings that could result in the failure of the economic liberalization.*

After an argument of nearly four years over whether or not the policy of internationalizing the economy benefited Colombia, the debate between the government and the country's businessmen took a dramatic turn last week. Following a meeting between the two sectors in Cartagena, it became clear that the *apertura* [liberalization] is an irreversible process and that what is important now is for it to function properly. Consequently, concern has now focused on problems which Colombia currently faces in competing on the international market and therefore, on defining the conditions that must be created so that it may compete in the future.

Several national studies had already been completed on this issue, but the vast majority were only partial or suffered from a lack of credibility. None managed to attract the attention of the business sector as a whole. This finally happened at the Cartagena meeting, called for the precise purpose of analyzing the progress of a study contracted jointly by the national government and private businessmen. The American company they chose was Monitor, owned by the world's leading expert on competitiveness: Michael Porter.

In 1990, Porter, who before then was already one of the world's most admired theorists in the field of business administration, left the confines of the Harvard Business School where he had been a professor and gained world renown with the publication of a book titled "The Competitive Edge of Nations." The work summarized the results of over five years of research conducted in ten countries and over 100 companies. It identified the attributes that strengthen a country's advantages for participating in the world market and the conditions under which its industries can be competitive.

Based on the book's concepts, Monitor, which was set up in 1982 for the purpose of applying theories developed at

the Harvard Business School, became the leading consulting firm in the world specializing in competitiveness and began to be sought-after by such diverse countries as Canada, Scotland, Spain, and Greece for the purpose of diagnosing the relative position of certain industries compared with their main international competitors. Never before had it been hired by a developing nation, however.

In mid 1990, the then minister of development, Luis Alberto Moreno, took Professor Porter's course and was so impressed with his theories and research methodology that he decided to convince someone in Colombia to contract for his services in order to evaluate the country's industries' ability to compete internationally. As luck would have it, one of the first to "take the bait" was the president of the republic himself, who was very enthusiastic about the idea of such a study.

There were two problems at the time, however. The first was that Monitor had had a relatively unpleasant experience completing studies financed exclusively by the government sector in terms of the application of its recommendations. The second was that, given the prominence of the company, the cost of the study (put at $2 million from the very beginning) was too much to be financed by the government. It was therefore decided that the study would be completely funded by contributions from the private sector. The guilds were also invited to participate.

The response was quite cautious. The guilds did not have much money either and had it not been because one of them, ACOPLASTICOS [Colombian Association of the Plastics Industry], was involved in a long discussion of the sector's productivity problems and the Monitor study suited it to a T, Moreno's interest would probably not have gone beyond the stage of a good idea. With the support of ECOPETROL [Colombian Petroleum Enterprise] and the Ministry of Development, and after negotiating a special price of $220,000, in September 1992, ACOPLASTICOS contracted for a competitiveness study for the petrochemical sector. The results were released in February of this year.

The study was not released to the general public because the parties involved wanted to implement its recommendationns before revealing its results. It was passed on to the other guilds, however, and they finally became enthusiastic about the methodology. After securing the support of the country's Chambers of Commerce and while still enjoying the participation of the government as the co-financial backer, thanks to a nonreimbursable loan from the Andean Development Corporation, they chose seven sectors of broad international scope and contracted for a new Monitor study for the sum initially set: $2 million.

Diagnosis

Early in July, Monitor, whose headquarters are in Cambridge, Massachusetts, took a group of 20 of its experts to Colombia. During the initial phase of their work, they met with over 150 of the country's businessmen and gathered all existing information about the sectors involved in the study, in Colombia as well as in the main competitor countries, in order to make a preliminary diagnosis and present it at a meeting scheduled by the government to discuss the country's problems with representatives of the private sector.

The results could not have been more discouraging. In general, it is clear to the Monitor experts that Colombia has great advantages for competing on the international market: location, climate, soil, an abundance of raw materials, cheap labor, and a highly developed business culture. Unfortunately, they say, these factors, which could be so positive, have worked against the country because they have helped reduce the standing of industries in which the country could compete successfully in international terms. The country has confined itself to developing activities that make intensive use of its abundant resources and made no effort to make the production apparatus better balanced and more complex.

Because it barred imports for so many years and because domestic demand is so limited, the country never worried about developing an industrial base that would enable it to use its natural resources more productively. In addition, rather than upgrade them, it confined itself to exporting surpluses with an extremely low degree of processing or finishing and competed exclusively on the basis of prices. As a result, Colombia has never developed an export strategy or developed any awareness of the importance of innovation and quality on world markets. This is currently one of the country's main obstacles to being truly competitive internationally, the Monitor study concludes.

Nor is it the only shortcoming. Another very serious disadvantage is the lack of infrastructure. The country has lagged behind in transportation, energy, and telecommunications, which not only constitutes an extreme handicap for the country's exporters, but also deprives Colombians of some of the most dynamic industries internationally, industries that are fundamental to the nation's ability to compete at the dawn of the 21st century. According to the Monitor study, in 1991, only 1.7 percent of Colombia's total exports came from these three sectors compared with 18 percent for Korea, 21 percent for Mexico, and 29 percent for the United States.

Another fundamental element of the ability to compete is the development of specialized human resources. It is not very difficult to see that Colombia has great shortcomings in this area. Some 85 percent of the manufacturers interviewed by the American experts said the Colombian system of education does not provide—at any level—the knowledge its enterprises need to keep in step with the development of technology. This places them in an inferior position with its competitors on the world market.

Finally, there is a whole series of intangibles that are also critical when it comes time to consider the costs that must be borne by national producers anxious to compete on the international market. They include the lack of security, the country's image abroad, and the lack of communication between the public and private sectors in defining top priorities. According to the preliminary results of the study, "the Monitor survey shows great disagreement about national objectives, the efficiency of institutions and government instruments, the effects of the liberalization, and the attitude toward competitiveness."

A Concrete Case

For many businessmen, the diagnosis is a cliche. And it is if one is referring only to the general framework in which the country's productive activity takes place. But, as the Monitor experts clearly say—and this is one of the central points of Porter's theory—nations are not inherently competitive. It is industries or, at best, branches of industry that are competitive. However, they cannot be—or will have enormous difficulties being—competitive if they do not have a favorable atmosphere in which to operate. What was presented in Cartagena was precisely that atmosphere.

The final objective of the study is far more ambitious. The idea is to successfully identify all the factors that affect the competitiveness of one industry in particular and, occasionally, a single product. The best example is the study of the petrochemical sector, as previously stated, the only one already completed. That study sought to determine which elements affect the competitiveness of enterprises that produce polypropylene and what the national industry's situation was vis-a-vis its competitors in Mexico and Venezuela, countries with which it is hoped a free trade agreement will soon be concluded.

According to the study's conclusions, apart from the problems mentioned in the general diagnosis, problems which in varying degrees affect the ability to compete of nearly all sectors of national industry (in the case of petrochemistry) and of polypropylene producers in particular, certain obstacles must be overcome before they will be able to compete on an equal footing with the industries of countries in the Group of the Three. For example, there is the failure to define the entity responsible for petrochemical development, policies for the management of raw materials belonging to the state, and tax rates applicable to investments in the sector.

Furthermore, according to the minister of development, identifying those obstacles made it possible to form a joint committee that is not only studying recommendations contained in the study, but that has also made major progress in establishing rules of play for the sector in the future. Manufacturers hope they will be used as the basis for the definition of a real national petrochemical strategy.

With respect to the remaining sectors: metal-machine, textiles, flowers, leathers, graphic arts, fruit juices, and tourism, work on the studies has just begun. In the case of textiles and flowers on which the most progress has been made, some isolated problems have been identified, but certain steps must still be taken before the final recommendations can be formulated. The same is true of the remaining sectors. The goal is to complete all work by the end of October in order by then to be able to design a strategy to improve competitiveness, including the president's reference to the formation of a Productivity Committee like the one set up in the United States under the administrations of Ronald Reagan and George Bush.

New Climate

In the meantime, however, the fact is that the Cartagena meeting served to lay the foundations for a new relationship between the government and the private sector. In addition, the meeting transcended the initial objective of analyzing the preliminary conclusions of the Monitor study. As EL PAIS Editor Rodrigo Lloreda said last week in his regular column, the Cartagena meeting provided a forum "for a 'no-holds-barred' discussion of the inevitable problems that create a gap between the two sectors and the designing of a joint strategy for growth and progress."

As is usually the case, the meeting enabled businessmen "to pass their bill on to the government," as the headline of one capital daily ran. Once again, one heard the claims of recent months concerning unfair competition, smuggling, and the workers' lack of skills, not to mention the lack of investment in infrastructure and research, the cost of transport and energy, the rate of exchange, and the "Chinese threat." Not to mention all the other factors which they say threaten to outweigh all the benefits produced by the liberalization process.

However, it also enabled the government to make its position clear. Beginning with one of the harshest phrases of President Gaviria's highly applauded speech: "Slowing down the liberalization is no longer possible because it has already occurred." He concluded with the admonition that "if we proceed on the assumption that whatever the guilds do has to come out in the newspapers and be covered by the media, then we will never get anywhere."

In an extemporaneous speech that lasted nearly two hours, the president outlined the rules of play for the future relationship between the government and the guilds. After taking up the criticisms formulated by businessmen one by one, noting that many things did not depend on official resources but on the policies designed by the government, and that the government should focus its efforts on problems of justice and security and the construction of certain infrastructure projects such as the highways, he appealed to the guilds to adopt a positive attitude, asking that "instead of all kinds of boasting, they assume as their principal function that of ensuring the quality of economic policy."

He also stated something which a number of analysts view as one of the central points of his speech, to wit, that it is not his intention to lead Colombia to a type of economic development based on the Korean model of government support for a few productive sectors. Rather, he prefers a scheme similar to that of Taiwan: "Freer, smaller, with more industries, more market freedom, and a tariff policy and a few rules of play that are the same for everyone." In other words, a model in which it is the market and not the government that will choose which sectors will develop.

In Lloreda's words, "the great synthesis of the president's speech is that, in his opinion, things are going well and there will consequently be no changes in government guidelines during the final year of his administration. What is curious is that such a radical position, which should have been like a bucket of ice water on the heads of many of the businessmen gathered together at the Cartagena Convention Center, was received by the unanimous applause of those attending."

Beyond the attitude assumed by the businessmen toward Gaviria's speech, however, the main conclusion of the Cartagena meeting is that economic debate in the country has been changed for good. Even if a few enemies of the liberalization remain, for most businessmen, the challenge facing them is not to allow it to fail. This in itself justifies a large part of the investment in the Monitor study. However, if, in addition, it manages to identify the problems facing the sectors analyzed in competing on the international market and, as is happening in petrochemistry, action is taken to overcome them, the process of internationalizing the Colombian economy will clearly have gained new momentum. However, it is still too early to draw conclusions, and only time will tell whether we will indeed be able to compete.

[Box, p 28]

Diagnosis of Colombia's Ability To Compete

1—Colombia has extremely positive basic factors: location, climate, fertile soil, raw materials, cheap labor force, business culture.

2—These basic factors have not been properly used and upgraded: Colombia's eight leading exports depend on basic factors (climate, location, and so on), while 71 percent of all Colombian exports are based on natural resources.

3—As a result, Colombia is not a favorable base for sophisticated exports to the rest of the world: Transportation, energy, and telecommunications are critical areas to be developed. Security, international image, and a strategic vision are the critical intangibles.

4—Despite the fact that challenges are many, the way is clear and existing problems can be solved: Building international mechanisms stressing traditional strengths and concentrating on sophisticated international clients in areas of greatest productivity.

5—Public and private decisionmaking centers must agree on the nation's capacities and weaknesses: The Monitor study reveals great disagreement concerning national objectives, the efficiency of government institutions and instruments, the effects of the liberalization, and attitudes toward competitiveness.

6—The goal is a step-by-step increase in the quality of the management of factors: Quantifiable objectives include increases in: per capita income, the percentage of manufactured products in the portion of GDP and exports, and the number of competitive segments.

7—Now is the time: Colombia is a member of three of the five Trade Zones in the Western Hemisphere and has unique access to the United States.

* Hommes, Business Leaders Differ on Recession

93SM0418A Santa Fe de Bogota EL ESPECTADOR in Spanish 13 Aug 93 pp B1-B2

[Text] *In the absence of figures reflecting the state of the economy, the polls provide the only basis on which to form an opinion. The guilds point to signs of a recession, but the minister of finance is optimistic. Who is right?*

While the production guilds, based on their own polls, repeatedly point to obvious signs of a recession, citing his own surveys, the minister of finance denies that any such problems exist. On the contrary, he notes good progress in the sectors related to the generation of wealth.

For its part, FEDESARROLLO [Federation for Development], an independent research organization, concludes that at the end of the first half of the year, "the persistent decline in the rate of productive activity that began in April continued."

However, the bankers, who have not previously shown excessive concern over the matter, reconfirm the diagnosis of the business community, observing that, "while it is true that problems of a decline are not widespread, certain sectors of production nevertheless face serious difficulties. If these difficulties are not handled promptly, owners will pay the price of the current situation with the closing of their factories."

As one indicator, they point to the declining portfolios of several banks and financial corporations.

According to an ANDI [National Association of Small Industries] business poll, "one can observe a crisis that is beginning to look like a recession in beverages and tobacco, textiles, leather and leather goods, iron and steel and rubber." The guild concludes that the positive figures for the first quarter dropped during the second.

Citing a poll of its affiliates, FEDEMETAL [Colombian Federation of Metal Industries] says the sector is "heating up again and losing its competitive edge" as a result of massive imports of products and raw materials.

According to a FENALCO [National Federation of Businessmen] survey, even though trade is moving well as a result of the marketing of imported goods, which proves that there is no problem in overall demand, but rather, a redistribution of demand that is hurting certain suppliers, there is nevertheless a serious problem: smuggling.

"Decisive factors such as the revaluation of the peso, the lower value of the floating dollar vis-a-vis the official rate, and the lower cost of producing and marketing imported goods, have turned smuggling into a lucrative business," FENALCO says.

For its part, the Association of Colombian Farmers (SAC) maintains that producers do not perceive any sign of a possible recovery, even remotely. Instead, they watch their prices shoot up while profits decline with every passing day and the volume of imports steadily increases.

Small and medium-size manufacturers are also complaining about their current situation.

According to a poll conducted by CINSET [expansion not given], ACOPI [Colombian Association of Small Industries], and the KAS Foundation, small and medium-size industries are confronted with insufficient demand and describe the outlook for the future as gloomy.

However, Minister of Finance Rudolf Hommes claims the slump is nothing more than talk from the guilds. According to polls conducted by his ministry, the problems are basically found in agriculture, where the drop in coffee production and restrictions on the banana and cotton trade have substantially hurt the sector.

Disinformation

Another question emerges from this range of opinions: Why does the perception of the government, businessmen and research institutions of the future of the economy and its current situation vary so widely?

There seems to be a serious problem of disinformation.

In the absence of figures reflecting the state of the economy, the polls are the only basis one has on which to form an opinion.

It is not the accuracy of the polls that is in question because every institution has its own methodology. What does emerge clearly is the fact that the problem is a lack of flexibility on the part of institutions whose task it is to measure the various indicators of economic trends.

No one is exactly certain what the rate of the GDP is (the Development Ministry's poll says it rose 4.5 percent in five months), and no precise data exist on the performance of activities such as textiles and agriculture, which are experiencing difficulties.

One therefore has no other choice than to believe the polls, resulting in situations like this one.

Doubts do arise. Are the polls becoming one more way of stirring up a controvery between the government and businessmen? Are the latter doomed never to agree, precisely because one of the functions of guild officials is to defend businessmen in their sector?

In the middle are the media, which Hommes accuses of sending inadequate messages because they also emphasize what guild polls say rather than what the government claims.

When asked about Finance Minister Hommes' statements, ANDI President Carlos Arturo Angel was categorical: "I do not want to stir up any controversy. No one would be happier than I to see the economy prosper, but this poll, which was started some time ago, says that problems do indeed exist and that in some areas they are serious."

Who is right? The answer will not be known until the consolidated figures are in on the economy's performance in 1993.

* Gaviria Defends Liberalization Program

93SM0424A Santa Fe de Bogota EL ESPECTADOR in Spanish 14 Aug 93 p 10A

[Article by Diego Hernan Cardenas S.: "Nothing Will Stop the Liberalization"]

[Text] In staging a vigorous defense of the "economic apertura" [economic liberalization], and after admitting that it has been difficult for the country to absorb the process of the internationalization of markets, President Cesar Gaviria Trujillo said there is no going back on the policy.

Delivering the closing address at the Fifth Forum of the Colombian Caribbean, the chief of state denied that there is any economic recession, as the production guilds claim, and said that Colombian businessmen must face various problems of international competition such as dumping, subsidies, and other unfair practices.

"Anyone who wants to compete must know the market instruments, and the solution for meeting the competition is not to close the economy," he said.

Along these same lines, he emphasized that it is not fair to blame problems in agriculture on the liberalization because those problems are basically due to the drop in international prices.

Given this fact, not much can be done, he added, meaning that businessmen cannot blame imports for the crisis that has hit the sector.

In the president's opinion, while the economic liberalization will not solve the problems of poverty, it does make it possible to stand up to monopolies, which has redounded to the benefit of Colombian consumers in general.

Gaviria Trujillo paid no heed to voices asking for a return to protectionism and said that even though the policy of economic liberalization has not produced all the desired results, it has helped the country, particularly the Atlantic Coast region, improve its position on export markets.

In this connection, he noted that "minor" or nontraditional exports have risen over 12 percent this year.

He warned that investors must plan to continue living under this economic model, which he believes will bring growth, prosperity, and progress.

Priority to the Coast

In addition, the Colombian chief of state responded to criticism expressed by various regional development officials at the Fifth Forum to the effect that the Atlantic Coast is being discriminated against by the Central Government.

He revealed that next year the investment budget for the region will increase by 68 percent compared with the one now in effect, which will total 425 billion pesos.

Figures in hand, the chief of state said the per capita investment for those dwelling in the Caribbean Region will amount to 86,313 pesos, 9 percent higher than the national per capita investment average.

Regarding government spending for the eight Coastal departments, he said they will receive special preference during the remainder of his administration.

For example, investments in infrastructure will rise by 29.4 percent, while 172 billion will be allocated to cover the cost of expanding the sewer system.

In response to those who criticized the usefulness of Co-financing Funds set up based on the temporary Article 20 of the constitution, Gaviria said that next year, 47 percent of all resources in the various national funds will be earmarked for the Caribbean region.

He also said that 25.5 percent of all resources allocated for housing subsidies will go to that region of the country.

Gaviria applauded action taken by officials and leaders from the Northern Coast to set up an administrative and planning region that will later acquire the status of territorial region.

* ACOPI President Faults Government Policies

93SM0424B Santa Fe de Bogota EL ESPECTADOR in Spanish 19 Aug 93 p 5B

[Text] *At the guild's annual congress, German Bula read a harsh message to President Gaviria warning him that the peaceful revolution had run into difficulty. "We do not think we are moving into a recession," the small and medium-size industrialists say.*

"The facts demonstrate overwhelmingly that in terms of economic and social policy, the prevalent attitude is undemocratic and shows favoritism to those on top."

This is what German Bula Escobar, national president of the Colombian Association of Small Industries (ACOPI), told President Cesar Gaviria Trujillo yesterday at the opening session of the guild's national congress.

The official said that this year's event will feature no speeches expressing gratitude to the chief of state. Rather, there will be a litany of complaints because the current administration has confined itself to rhetoric and forgotten about action.

So great is the neglect, Bula Escobar said, that in the first report on the "Rules of Play for the 'Apertura'" [economic liberalization], a scant 15 lines are devoted to small and medium-size industries. Furthermore, even that paragraph says only that "concern must be shown them in the future."

The ACOPI president's list was long, with 20 points comprising a general outline of the government's failures and inadequacies in its dealings with this sector of industry.

However, he did note that even though difficulties do exist, businessmen do not think a recession is imminent.

He also asks the president a question: "How much longer will industries have to wait for the $100 million in 15-year loans with a four-year grace period?"

CFD for Whom?

Far from being a conventional opening address, Bula's remarks were a harsh reminder to the government not to forget the sector.

On several occasions, the guild has asked the government for a clear definition of what type of country it wants: an oil-based and purely commercial economy or reconstruction of the industrial fabric contained in the Colombian Plan.

Small and medium-size industries claim they accepted the challenge of choosing the Financial Development Corporation (CFD), while the government maintains the Industrial Development Institute (IFI) and Foreign Trade Bank (BANCOLDEX) as support for big industry. "Fine market rules!"

After leveling these criticisms, Bula told Gaviria:

"Nevertheless, you have a year left to go and you can win back a large part of the ground lost. Everything will depend on the government's determination.

"Mr. President, you have entered an era of great changes initiated by the struggle of two generations. Your government does not accept any Manichean judgment. Unfortunately, whether because of the circumstances or because of that pragmatic personality which analysts have attributed to you, any reforms have resulted from dealings rather than any national mobilization.

"Consequently, our peaceful revolution has run into difficulty and the benevolent future has moved further into the distance," he concluded.

Limitations on Production (percentage of companies answering "Yes" to each factor)

Insufficient demand	23.9
Inadequate equipment/machinery	20.1
Lack of suitable labor force	18.9
Limited working capital	15
Shortage of imported raw materials	12.3
Shortage of national raw materials	5.3
Other factors	4.6
Total	100

Paraguay

Wasmosy Addresses UN General Assembly

PY3009001593 Asuncion RPC Television Network in Spanish 1430 GMT 29 Sep 93

[Speech by President Juan Carlos Wasmosy at the UN General Assembly in New York, transmitted on national radio and television network—live]

[Excerpts] [Passage omitted] The new world order arrived unexpectedly. The bipolar power structure ceased to exist and changes have taken place peacefully. Paraguay evolved in the same way and at the same rhythm. The Paraguayan people can now forge their destiny and their sovereignty can be fully expressed.

We live respecting human rights, market economy, and state reform. We have successfully and peacefully carried out an extraordinary reform in the political, economic, and social fields without any external aid, just with the support of the people's hope to someday live in peace, justice, and freedom.

The Paraguayan Government respects civil liberties and promotes justice. It is making an effort to increase opportunities for the wellbeing of the people and to promote human development. An economic activity—especially a market economy—cannot develop amid an institutional void. On the contrary, it requires safety and the guarantee of the physical integrity of the people, of private initiative and property, a stable monetary system, and efficient public services.

The main concern of the Paraguayan Government is to guarantee this safety, stability, and services so those who work and produce may enjoy the fruits of their work and feel encouraged to work with efficiency and honesty. [passage omitted]

The future of Paraguay reflects a situation of dramatic reality. We have overcome an internal political situation that for 30 years inspired indifference, estrangement, and even condemnation by the international community. The Paraguayan people bravely bore those times with work, creativeness, and sacrifice. We must currently consolidate our triumph and institutionalize democracy as our only possible option.

In attaining this objective, we find two main obstacles: An accelerated demographic growth and a lack of resources to finance our development commensurate with the sudden population growth; and the imperious need to improve the standard of living and wellbeing of the Paraguayan people.

We rely on the loyal cooperation of industrialized countries to ensure the definite permanence of the values we share with the rest of the international community. To speed up our development we ask for greater UN cooperation through its different agencies, like the UN Development Program—which is currently headed by a new and dynamic administrator from whom we, the developing countries, expect a lot—the traditional and effective UNICEF program in defense of children and adolescents; and from the UN Fund for Population, which can play an important role in this subject.

We also ask the special UN agencies which have helped and benefited our developing plans and people to double their efforts, by increasing their efficiency with greater creativity and reducing their costs through greater control.

This cooperation must complement our internal efforts through an appropriate volume of financial aid under favorable terms and a greater flow of private investments. We hope that the financial agencies, especially the World Bank and the Inter-American Development Bank, will accelerate their help and grant their maximum support to the programs and projects of the developing countries by reducing their bureaucracy. We recognize the great help they have provided in the past, and urge them to surpass past achievements in order to build a better future for all our countries.

If the developing countries do not receive this cooperation, on the one hand we will have a prosperous and democratic world with freedom and an abundance of goods for everybody, while on the other hand there will be a world corroded by misery, ignorance, and the slavery that stems from poverty. Democracy will hardly survive if poverty continues, my dear delegates.

Attaining a fair economic growth in Paraguay means strengthening democracy. My wish as a governor is to definitively consolidate the democratic system in my country.

To fulfill these objectives, my government will administer the country with total seriousness to avoid irregular procedures. We will strictly observe and comply with the laws. All government actions will be totally clear for people in Paraguay and abroad. We consider the stability of democratic countries lies, among other things, on the honesty of its officials, in the independence of its judicial branch, in individual and collective security, and in the government's efficiency in seeking development.

This is why my government will punish all corruption, seeking to eradicate it. We commit ourselves to these objectives knowing that the international community will support our effort. [passage omitted]

Events are leading us to a growing interdependence at a regional and international level. Through the Common Market of the South Treaty, Mercosur, Southern Cone countries—Argentina, Brazil, Paraguay and Uruguay—seek to improve their economies.

As a new economic group, Mercosur will establish relations with other economic groups, seeking to achieve broader and better agreements and offer mutual facilities.

Negotiations with the [European] Economic Community, the future NAFTA [North American Free Trade Agreement], and the Asian countries in the Pacific basin are currently under way. We hope that these negotiations will be fruitful.

Paraguay fully supports the formation of Mercosur and hopes there will be broad and straightforward cooperation in all negotiations among the four countries. All actions must be truly consistent with the goals we seek. We sincerely want to achieve agreements that are fair and equitable for the benefit of all.

Concerning economic matters, we also want to express our wishes and hopes that complete agreement will be reached in the Uruguay Round negotiations and that the markets will become increasingly open so that trade may flow freely, without any customs or other barriers, and without subsidies to reduce the competitiveness of our Mercosur products. Free trade, which we firmly support, must not be limited while the free trade principle is theoretically championed.

I have just visited Bolivia, a sisterly nation with which we have signed agreements on joint ventures. I offered the Bolivian Government the use of Paraguay as a hinge to join the Mercosur and, conversely, I asked the Bolivian Government to act as a hinge between the Mercosur and the Andean Pact. It is especially auspicious for me to remember this fact today, 29 September, as we mark another anniversary of the Boqueron battle, a symbol of the courage of the two nations. We want this anniversary to become a benchmark for a fruitful relationship in which cooperation, understanding, and peace prevail.

The formation of new multinational economic groups represents a new challenge in the relations among countries. In this economic globalization process, countries must share with other groups—without selfishness—their prosperity and technological advancements in order to guarantee the entire effective advancement of humanity. The EEC, NAFTA, and the Asian countries in the Pacific basin must represent a dynamic force in economic relations and not new ways to limit international trade.

International coexistence requires the search for agreements and formulas of mutual support in order to achieve the collective and, consequently, individual improvement of each country.

North America is experiencing a promising stage in its relations. Mexico, Canada, and the United States propose creating a free trade zone among countries of different history, culture, languages, and ways of living. Their differences have not prevented them from deciding, in a praiseworthy effort, to complement their economies.

NAFTA reflects an effort to manage the new conditions of the world economy in order to achieve shared prosperity. On the threshold of a new century, these three nations have become aware of the fact that, more than ever before, economic growth depends on the opening of new markets abroad and on an increase in the volume of world trade. We hope that, as soon as it is implemented, NAFTA will be very beneficial for all of Latin America and the Caribbean.

Economic development must not clash with environmental preservation and defense. These precepts are valid for all and are completely independent from the degree of economic development achieved by each country.

Environmental degradation will continue if ambiguous criteria like ecological conditioning [condicionalidad ecologica] continue.

After lengthy discussions, the momentous ECO-92 conference, held in Rio de Janeiro, directed us toward sustained development in which development and the defense of the environmental are reconciled. We must comply with the agreements reached during this conference. There must be no reluctance in complying with the commitments contracted. There must be no double standards for industrialized and developing nations. The developing nations must receive the cooperation pledged during that memorable international conference.

Among the worldwide social problems, drug trafficking jeopardizes the political and economic stability of some states. The United Nations must seize the leadership to

combat the scourge of drugs with all its fatal consequences for youths, and with all its terrorist links and money that corrupts and destroys.

Paraguay is totally committed to combating trafficking, the money laundering, which is the result of this damned trade, and all drug-related crimes. This struggle requires total international cooperation to eradicate trafficking. Paraguay admits that the responsibility for this struggle must be shared by producers, consumers, and middlemen. [passage omitted]

Venezuela

Probe of U.S. Embassy Sought in Wiretapping Case

PA3009035093 Caracas EL DIARIO DE CARACAS in Spanish 28 Sep 93 p 9

[Report by Edgar Lopez]

[Text] Lawyer Ignacio Ramirez Romero has asked Justice Judith Bresson, who has been specially charged with conducting preliminary investigations into a wiretapping case, to determine whether there is a communications jamming system inside the U.S. Embassy in Venezuela, which is used "for political, financial, or military" intelligence or counterintelligence operations and which is supported by CANTV [National Telephone Company of Venezuela].

Ramirez Romero made the request when he confirmed his suit against Rafael Rivas Vasquez, former chief of DISIP [Directorate of Intelligence and Prevention Services] and owner of the Franac security agency, who reportedly had a wiretapping setup for private conversations.

He said: "The alleged beneficiaries were government officials who received more than 6 million monthly bolivares from the discretionary fund on instructions from several former government ministers."

Ramirez Romero asked that the dismissed president, Carlos Andres Perez; former ministers Luis Pinerua Ordaz, Ramon Carmona, Reinaldo Figueredo, and Carmen Lauria; former police officers Herminio Fuenmayor, Randolph Machado, and Claudio Torchetti; former Central Information Office Director Pastor Heydra; and lawyer Alvaro Rotendaro be summoned to appear in court. Ramirez Romero requested that each one of them be forbidden to leave the country and that their property be seized.

The lawyer also asked the third justice to review the crime to make a list of all of the security agencies operating in the country and to confirm the reported existence of wiretapping equipment in the DIM [Directorate of Military Intelligence], MRI [Interior Relations Ministry], and in the offices of former Minister Figueredo.

Ramirez Romero also requested a clarification of the alleged responsibility of CANTV and the National Telecommunications Council in espionage, and he asked that statements by officials from these agencies be demanded.

Finally, he requested an investigation into a vehicle carrying espionage equipment, which was reportedly found in the cellar of the Supreme Court of Justice Building.

Government Uncovers 'Subversive' Plan Set for 30 Sep

PA2909162493 Madrid EFE in Spanish 1533 GMT 29 Sep 93

[Text] Caracas, 29 Sep (EFE)—The Venezuelan Government announced today that it has uncovered a subversive plan by ultraleftist groups, who were trying to seize power tomorrow by violent means.

Interior Minister Carlos Delgado Chapellin said the government has fully identified those involved in this plan, but he did not provide any names or details, although he said certain people have been arrested.

Delgado said that had the plan not be uncovered, the Venezuelan Armed Forces would have had to intervene to safeguard democracy.

Interior Minister Cited

PA2909174093 Madrid EFE in Spanish 1611 GMT 29 Sep 93

[Text] Caracas, 29 Sep (EFE)—Today, the Venezuelan Government disclosed that it had uncovered a subversive plan organized by extreme leftist groups to take control of the country tomorrow through violent means. Nevertheless, the government has announced that the situation in the country is completely normal.

Interior Minister Carlos Delgado Chapellin said that the government has fully identified those involved in the subversive plan, but he did not provide any names or details on whether any arrests have been made. He added that the subversive groups' intention was to encourage social upheaval among lower class groups prompting in turn an intervention by the Armed Forces to guarantee safety to all Venezuelans.

"The Venezuelan Government hereby guarantees complete safety in the country," Delgado Chapellin stated. At the same time he warned that in no way should there be talks about coup attempts in Venezuela: "That is discarded." Delgado's statements were made at the Miraflores Presidential Palace, seat of the executive branch, where he had gone to meet with President Ramon Jose Velasquez.

The information disclosed by the Venezuelan official would seem to clear the climate of apprehension and rumors that has been taking place in the country during the past days with respect to the possibility of a new coup attempt.

Venezuela was able to overcome two coup attempts during 1992 during the administration of impeached President Carlos Andres Perez. At least 2,000 soldiers participated in those coup attempts.

Unofficially, it was stated that a retired high-ranking Armed Forces officer and several civilians linked to extreme leftists organizations that operated during the 1960's guerrillas phase may be involved in the subversive plan disclosed by Delgado Chapellin.

Likewise, sources close to the government rejected versions about the Army Special Operations Commando unit stationed at Fuerte Tuna, also the Defense Ministry headquarters, leading an uprising and calling on Defense Minister Vice Admiral Radames Munoz Leon to seize control of the government as a result of the weakness evidenced by the current administration.

'State of Alert' Declared

PA2909184393 Paris AFP in Spanish 1644 GMT 29 Sep 93

[Text] Caracas, 29 Sep (AFP)—The Venezuelan Military High Command has declared a "state of alert" following last night's meeting during which it analyzed the country's situation and the possibility that the people will unleash a wave of agitation over the application of a sales tax as of 1 October, it was reported on Wednesday in Caracas.

News reports state that those attending the special session convoked by Defense Minister Radames Munoz Leon received orders to keep secret the topics they discussed, "because these are internal issues of the Armed Forces that should not be divulged," the minister himself said.

Defense Ministry sources consulted by AFP said that "it was a simple routine meeting," but the domestic press stated that the High Command discussed the country's critical situation, rumors of a possible new coup d'etat, and the role of the Armed Forces as guarantors of democracy, after which they reportedly declared an "alert" to cope with the growing wave of rumors.

This "alert" reportedly calls for increasing the mechanisms of military intelligence, which are watching the alleged guerrilla groups that—according to what Munoz said the night before—are preparing a subversive plan to stage a coup d'etat after the general elections of next 5 December. The minister clarified later, however, that this is only one of the theories the High Command was discussing.

In the so-called Republic Plan, the military will also have the responsibility of guaranteeing the normal development of the electoral campaign and the elections.

After two coup attempts in February and December of last year against the now dismissed President Carlos Andres Perez, Venezuela has been affected by destabilizing situations such as explosive attacks, asaults against outstanding citizens, bank holdups, and a growing wave of rumors on new attempts.

Since last week, Munoz has been the target of attacks, as he is the person mainly responsible for repressing 23 September's march of the university community, which was demanding better budgets, and the subsequent disturbances in several cities of the country. One university employee was shot dead in the repression.

Meanwhile, Munoz reiterated that temporary President Ramos J. Velasquez is the one who gives the orders in the country. In this manner, Munoz tried to dilute the polemic unleashed by his actions and the charges by politicians of various trends who said Munoz had reportedly usurped the functions of other members of the executive branch, including the president.

Just two months from the presidential and legislative elections slated for December, Venezuela remains tense over the political situation as well as an economic and fiscal crisis that beleaguers the people.

Subversive Plot Confirmed

PA2909221593 Caracas EL NACIONAL in Spanish 28 Sep 93 p D1

[Report by Jesus Eduardo Brando]

[Text] The defense minister, Vice Admiral Radames Munoz Leon, has confirmed the existence of a subversive plot to seize power through violence. He said his office has received reports saying that reorganized and armed radical groups are training in several regions of the country.

The minister's remarks came during the recorded radio program "An Appointment With the Psychologists," which was hosted by Vladimir Gessen and broadcast by Radio Caracas on 27 September. Immediately after the broadcast, reporters drove to the station's studios in El Paraiso, where they were told the program had been prerecorded.

Munoz Leon said the escalation of violence in the country over the past few months, including the planting of bombs, attacks on prominent individuals, assaults, and an increasing wave of rumors, must be considered from a broad perspective.

These incidents, which have been taking place for a certain period of time, appear to be isolated, but, if two and two are put together, they appear to be part of a great subversive plot. The minister thinks there is a strategy to seize power, not through governmental means but, rather, through revolution and armed actions. He also noted that this goal could be attained through a good political strategy that would enable the people to choose the government they desire via democratic means.

Asked about who could be behind these destabilizing actions, the minister answered: Some citizens, because of their political training, fail to embrace guarantees for the status quo of the democratic system. These citizens will attempt to create a power vacuum, which could lead the people to think that the solution lies in a coup d'etat or that only the military can restore order and guarantee security.

We know, he said, that armed groups are training in several areas of the country. These groups are being tracked and monitored. He referred to reports on the presence of rebels in the states of Yaracuy, Lara, and Falcon. He continued: We have contacts within certain groups of bandits. One man, a rustler known as Cheocheo, has been shot dead.

Asked whether the subversive plot could interrupt the December elections, the minister replied: "I do not think they will try to seize power before the elections, but after them. Specifically, they could base their actions on the critical situation that might occur because of the economic difficulties and the expiration of important collective contracts. All of this could facilitate a mindset that might endorse psychological warfare operations to justify their actions in the eyes of the public."

Munoz Leon refused to point to any specific individual or political organization which might hold to these objectives, but he noted that after the 1960's there was a turnaround in the political strategy of those sectors that advocate violence and attempt to infiltrate and attack institutions by questioning them. While it is true that, in some cases, this questioning has contributed to improvements within the institutions, the primary motive of those doing the questioning has been the destruction of the institutions, he said.

Questions also were raised about the possibility of this kind of infiltration having taken place in the case of the commanders who led the 4 February military insurrection. In Munoz Leon's opinion, this is a valid argument. He noted: "We could suppose that there was a strategic link. [no closing quotation marks as published] If this is true, those who led the insurrection functioned within a Marxist framework. If there was no strategic link, we are forced to wonder: How was it possible to persuade those who acted against the democratic system to form part of the democratic system through the election of a senator or a deputy—an act that is highly valued by the Venezuelan people—and to achieve this in two meetings? (Radical Cause-Arias Cardenal case) [sentence as published]

There was also a discussion of recent criticism leveled against the actions of the police and the National Guard during last week's events in which one citizen died and others were injured. Munoz Leon said he did not want to make any comment that could be considered offensive. He then said he wondered why he was asked this question, considering that the defense minister was only fulfilling his duties in accordance with the law and in accordance with a cabinet meeting in which the president of the nation directed him to guarantee the security of the people and their property. He also wondered why there has been no concern about the policeman who was injured.

Munoz Leon said that some people had taken advantage of a demonstration to demand billions of bolivares for the universities despite the fact that there is no clear information as to how this money would be used, as well as the fact that there has been no report from the Comptroller General's Office on how this money should be spent.

Minister Munoz Leon voiced his concern over what he described as "the unilateral war" declared by Radical Cause Party congressmen and leaders on the Armed Forces—an institution that represents one of the keystones of democratic society—especially considering that the Armed Forces' involvement has been minimal and only when absolutely necessary—for example, on the occasion of the 27 February 1989 events.

We must speak clearly to the Venezuelan people. We must inform the citizens who were born in the 1960's about those who at that time acted against democratic stability, and we should inform them about those same people who are now presidential candidates. One must not continue securing votes through deceit.

The average Venezuelan citizen, he said, must realize that his vote is a tool that can make the country move forward.

The minister was constantly questioned about rumors that the Armed Forces is plotting a coup. He said that such rumors are part of a discredit campaign. He said the Armed Forces has no intention to become a watchdog that oversees national politics.

The defense minister disregarded rumors about coupist intentions within the Armed Forces.

The minister said: This is part of a discredit campaign against the institution. The Armed Forces and the Military High Command respect the law and the democratic liberties system, he stated.

Detection of Plot Denied

PA3009030793 Madrid EFE in Spanish 0023 GMT 30 Sep 93

[Text] Caracas, 29 Sep (EFE)—The Venezuelan Interior Ministry today denied that Interior Minister Carlos Delgado declared that the government had uncovered an attempted coup d'etat.

The official communique states: "The Information Directorate of the Interior Relations Ministry reports that the statements attributed to Interior Minister Carlos Delgado Chapellin indicating a coup attempt has been uncovered are untrue."

The communique, which does not give further details, followed statements today by Delgado in which he said that the possibility of a coup d'etat had been "ruled out" because the government guarantees "the nation's total security."

Delgado also made reference to the existence of a subversive plot in which extreme leftist groups might be involved. The groups' goal would be to overthrow the democratic system and to seize power through illegal means.

Delgado, during an interview published today by EL UNIVERSAL, indicated that "the state's security institutions are in control of the subversive plot," adding that the authorities are evaluating the details.

The minister did not rule out that active members of some leftist political parties "pretend, through violent means, to make changes in Venezuela's current legal-political structure."

Delgado, who did not disclose the identity of any of the subversive groups' members, said the people involved in this plan have a "hot-headed [calenturienta] mentality." Neither did the minister indicate that any of the subversives had been arrested, nor did he supply the information on which the security agencies based their statements that a project to destabilize Venezuelan democracy was in place.

The existence of a subversive plot was initially disclosed by Vice Admiral Radames Munoz, defense minister, who indicated that the goal of the conspirators is to act against the government that wins the 5 December elections.

Guyana

Poll Shows Public Support for Regional Integration:

FL3009020993 Bridgetown CANA in English 2058 GMT 29 Sep 93

[Text] Georgetown, Guyana, Sept 29, CANA—Guyanese largely support forging closer regional integration, according to a new opinion poll.

The poll, involving nearly 1,000 people of all races here, was done by the Turkeyen Research and Polling Institute (TRPI).

The institute said more than 80 per cent of the people interviewed wanted closer regional integration.

Of the 981 people polled, 809 or 82.5 per cent said yes to closer ties with the Caribbean Community (Caricom). Only 6.4 per cent opposed it and 11 per cent were undecided.

The TRPI, which did not state the poll's margin of error, also found heavy support for moves on closer ties between Guyana, Trinidad and Tobago and Barbados.

Some 763 persons - or 77.8 per cent - endorsed the initiative by Trinidad and Tobago's prime minister, Patrick Manning, which calls for an economic and political union involving Guyana, Trinidad and Barbados.

Only 3.7 per cent were against the initiative. Just over 18 per cent were undecided.

Under 10 per cent of the people polled found the handling by the People's Progressive Party/Civic Administration of Guyana's economy very good. Nearly 44 per cent rated its handling satisfactory and 15.3 per cent poor.

Thirty-eight and a half per cent thought the standard of living remained the same today compared with last year. Just over 32 per cent said it was slightly better and 13.4 per cent thought it a lot better.

However, 30 per cent were unsure of the standard of living a year from now while 29.4 per cent thought it would be slightly better. Some 21.1 per cent said it would be better and 7.5 per cent worse.

On the abortion issue, 57.1 per cent were against legalising abortion. Just over 34 per cent were in favour of legalising abortions and less than nine per cent undecided.

About 40 per cent thought the government did not do everything possible to find the killer of a 20-year old girl who was brutally beaten to death and hurled from a speeding pick-up on Good Friday.

Only 24.2 per cent thought the government did everything to capture the killers of Monica Reece. Some 35.5 per cent were undecided.

Nearly 47 per cent did not think Guyana's race problem would disappear with improvements in the economy while 40.5 said yes. Fifteen per cent did not know.

The TRPI, run by Baytoram Ramharack, in 1991 carried out a poll which predicted the October 1992 general election victory of the ruling PPP/Civic Administration and the defeat of the People's National Congress (PNC).

The poll was condemned as flawed by the PPP/Civic, the PNC and the Working People's Alliance (WPA).

Suriname

Netherlands Reportedly Provides Food Rations to Army

BR2909145593 Amsterdam DE VOLKSKRANT in Dutch 28 Sep 93 p 3

[Unattributed article: "Defense Ministry Gives Rations to Surinamese Army"]

[Text] The Hague—This summer the Surinamese Army received a delivery of Netherlands emergency rations.

The food packages were transported by a Netherlands Air Force Fokker F-27 from Curacao to Paramaribo airport.

A Defense Ministry spokesman in The Hague said on Monday [27 September] that the Netherlands military airplane was carrying emergency rations only, and did not contain any weapons or other strategic goods. He was referring to the commotion over the Netherlands Navy Orion reconnaissance aircraft, which transported a delivery of light weapons to the Surinamese Army in May.

At the time, the Defense Ministry tried to hush up the arms transport, which was intended to support the new democratically appointed army leader Gorre. At first The Hague said that the Orion contained "kitbags and computer equipment." In Suriname, Gorre talked about "food."

The recently transported emergency rations come under the Netherlands aid program to Suriname, which includes the normalization of the army. "The army there hardly has anything left. According to the spokesman, rations are necessary for field exercises."

During the last two months, there have been four flights by Netherlands F-27's from Curacao to Suriname. One contained the rations, while the others transported people. This was how Gorre traveled for consultations on further cooperation, including jungle training for Netherlands marines in Suriname. Next week Defense Minister Ter Beek will go to Paramaribo to strengthen links with his Surinamese colleague Gilds.

Government Rejects Dutch Economic Effort Suggestion

BR2909152993 Rotterdam NRC HANDELSBLAD in Dutch 27 Sep 93 p 8

[Unattributed article: "Suriname Says Lubbers Letter Underestimates Seriousness of Situation"]

[Text] Paramaribo, 27 Sep—The Netherlands has abandoned Suriname in a difficult economic situation, President R. Venetiaan said on Saturday [25 September]. Venetiaan, chairman of the NPS [Suriname National Party], was reacting to a letter from Netherlands Prime Minister Ruud Lubbers.

Last week Lubbers asked Venetiaan to make "an extra effort" to get the Surinamese economy afloat. Venetiaan replied that obviously the Netherlands "does not have enough judgement to realize that at present a hard struggle is taking place in Suriname." Venetiaan was speaking at an NPS meeting.

In reaction to Lubbers' comment that the Netherlands was prepared to resume aid to Suriname, subject to the condition that the government gets serious about economic cutbacks, Venetiaan said: "Right now the most important task facing us is not measuring the budget deficit, or sitting down and measuring how big this or that is. The people must survive in order to have the strength to keep out of Suriname what is actually threatening the people." In any case the government was taking great pains to carry out a restructuring program, he said.

Venetiaan was referring to the threat by former army leader Bouterse, president of the NDP [National Democratic Party] opposition party, to "bring the country to a halt" with a general strike as of 4 October. The NDP intends to continue the campaign until the government resigns. The DA'91 [Democratic Alternative '91] opposition party has also announced a campaign to force the government to step down.

The social protests will especially target the large increases in electricity prices, the enormous increases in the prices of the basic necessities of life, and the fuel crisis. All these issues are linked to the implementation of the restructuring program.

Venetiaan said that the government was consulting with the EBS [expansion not given] energy company about freezing the electricity price increase. At the end of last week, the president appointed a commission to solve the fuel crisis. The president of the commission, New Front Leader Fred Derby, is holding discussions with the oil companies and banks about a financial solution. Derby is cautiously optimistic about the results.

In the meantime, the Association of Surinamese Manufacturers has also withdrawn its confidence in the government. The Organization for Justice and Peace has called for "all positive forces" to work together. It is seriously concerned about the negative developments of recent days.